

NATIONAL HEALTH INSURANCE: A MEDICAL DISASTER

-Jarret B. Wollstein

(Jarret B. Wollstein is a director of the International Society for Individual Liberty. The following essay originally appeared in the October 1992 issue of *The Freeman*, which is published by the *Foundation for Economic Education* (FEE), Irvington-on-Hudson, NY 10533. FEE is a nonpolitical educational champion of private property, a free market, and limited government.

It is ironic that at a time when socialized medicine in Canada is in decline (i.e., deteriorating services, increasingly unaffordable taxes and deficits), that many Americans are now using Canada's health care system as an example to emulate. It is also disturbing how little effect the dramatic evidence of a worldwide failure in socialized medicine seems to have on curbing political support for it. In the ongoing debate that is sure to capture the attention of Canadians and Americans alike, we offer the following sobering perspective --- from an American viewpoint --- on socialized medicine.)

Affordable health care has become one of the most important social issues of our time. Every news broadcast seems to have a special report on "America's health care crisis" or a politician demanding "universal health insurance."

Evidence cited for the need for immediate and drastic government action includes:

High medical costs. The United States reportedly has the highest per capita medical expenditures of any country in the world. According to *Insight* magazine, U.S. citizens spent an average of \$2,051 on health care in 1990, compared to \$1,483 for Canadians and \$1,093 for West Germans.

Rapid increase in medical expenditures. The average American now spends 11.1% of his income on medical care. If current trends continue, health care will consume over 17% of the Gross Domestic Product within 15 years.

High administrative costs. In the U.S., administrative costs consume nearly 12% of health dollars compared to 1% under Canada's socialized system. More than 1,100 different insurance forms are now in use in the United States.

Americans without insurance coverage. At any given time, over 13% of Americans have incomes that are too high to qualify for Medicare or Medicaid, but are too low to pay for medical insurance themselves.¹

The free market in health care, we are told, has failed. The solution offered by a growing chorus of commentators and candidates is *universal, mandatory, national health insurance*; in other words, *socialized medicine*. Is socialized medicine the answer, or will it only make things worse?

How Well Has Socialized Medicine Worked Elsewhere?

Most of the developed countries of the world presently have some form of socialized medicine. How well has it worked?

Great Britain. Great Britain adopted socialized medicine in 1948, with the creation of the National Health Service (NHS). The political rhetoric in Britain exhorting the adoption of nationalized health insurance is similar to what we are hearing in the U.S. today. In 1942, Prime Minister Winston Churchill declared:

"The discoveries of healing science must be the inheritance of all. ...Disease must be attacked whether it occurs in the poorest or the richest man or woman, simply on the ground that it is the enemy. ...Our policy is to create a national health service, in order to secure that everybody in the country, irrespective of means, age, sex, or occupation, shall have equal opportunities to benefit from the best and most up-to-date medical and allied services available."²

With the adoption of national health insurance, Labour Minister Dr. David Owen predicted, "We were going to finance everything, cure the nation and then spending would drop."³ Unfortunately things didn't work out exactly as planned.

The first problem with Britain's National Health Service was skyrocketing demand. With health care paid entirely by the government, there was no reason not to go to a doctor. Why take aspirin or wait out a cold, when professional medical care is free? As Michael Foot observed, within months "the demand (for health care) was exceeding anything (its creators) had dreamt of."⁴ First-year operating costs of the NHS were 52 million pounds higher than original estimates.⁵

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To those who consent, no injustice is done

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NHS soon found itself in direct competition for funds with national defense, pensions, and all other governmental functions. Budget cuts for NHS quickly followed. British economists John and Sylvia Jewkes estimated that between 1950 and 1959 the United States spent six times more per capita on hospital construction than England.⁶ As a result, there was a steady deterioration in the quality of British medical care.

By 1977, British general practitioners rarely had any medical instruments except for

are now championing as a less expensive and more efficient alternative to our supposed free market system?

Canada has had socialized medicine for 20 years, and the same pattern of deteriorating facilities, overburdened doctors, and long hospital waiting lists is clear. A quarter of a million Canadians (out of a population of only 26 million) are now on waiting lists for surgery.¹² The average waiting period for elective surgery is four years. Women wait up to five months for Pap smears and eight months for mammograms.¹³ Since 1987, the entire country spent less money on hospital improve-

ments than the city of Washington, D.C., which has a population of only 618,000.¹⁴ As a result, sophisticated diagnostic equipment is scarce in Canada

and growing scarcer. There are more MRIs (magnetic resonance imagers) in Washington State, which has a population of 4.6 million, than in all of Canada, which has a population of 26 million.¹⁵

In Canada, as in Britain under socialized medicine, patients are denied care, forced to cope with increasingly antiquated hospitals and equipment, and can die while waiting for treatment. Canada controls health care costs the same way Britain and Russia do: by denying modern treatment to the sick and letting the severely ill and old die.¹⁶

Despite standards far below those of the United States, when variables such as America's higher crime and teenage pregnancy rates are factored out, and when concealed government overhead costs are factored in, Canada spends as high a percentage of its GNP on health care as in the United States.¹⁷ Today a growing chorus of Canadians, including many former champions of socialized medicine, are calling for return to a market-based system.

The Worldwide Failure of Socialized Medicine

Throughout the world the story is the same: socialized medicine results in skyrock-

eting demand for nominally "free" health care, doctors are over-burdened, medical services steadily deteriorate, and there are endless waiting lists for health care. In the Soviet Union before the collapse of Communism, anesthetics, painkillers, and most drugs were rationed; 57% of hospitals had no hot running water; and it was standard practice to clean needles with steel wool and reuse them.¹⁸ In New Zealand, which has a population of just 3 million, there is a waiting list of 50,000 for surgery.¹⁹

Socialized medicine doesn't even fulfill its promise of equal access to treatment regardless of ability to pay. For example, in Canada "a small child with a skin rash is 22 times more likely to see a dermatologist if the child is living in Vancouver (a major city) than in the East Kootenay district (a remote rural area)." In Brazil, "residents of urban areas experience nine times more medical visits, 15 times more related services, 2.7 times more dental visits and 4.5 times more hospitalization," than do rural dwellers.²⁰

Throughout the world, there are more and more refugees from socialized medicine. Middle-class Canadians flock across the U.S. border to avoid waiting months or years for routine procedures. In England a system of private, quasi-legal clinics has developed to care for patients who can no longer tolerate the abysmal medical services provided by national health insurance. In Russia, desperate patients bribe doctors and secretly visit them

"Even after it destroys quality health care and individual liberty, socialized medicine still cannot achieve equal treatment for all."

after hours to get decent treatment and scarce drugs.

Socialized medicine, like all forms of socialism, has been a world-wide failure. As people throughout the world from the Soviet Union to South America are learning, socialism cannot work. Socialism is fundamentally incompatible with human nature.

Socialism fails because it denies and degrades our essential humanity by treating us as objects. Socialized medicine takes away our control over our own health and body, and gives that power to the state. Under a social-

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stethoscopes and blood-pressure meters. They had to send their patients to hospitals even for such routine procedures as X-rays and blood tests. The waiting time for routine, non-emergency surgery had increased to years.⁷ By the mid-1970s, more than 700,000 English men, women, and children were on hospital waiting lists at any given time.⁸ The average British doctor now has over 3,000 patients, compared to 500-600 for the average American doctor. NHS doctors spend an average of less than five minutes with their patients, who usually wait hours to see them.⁹

In 1975 Bernard Dixon, then editor of the British magazine *New Scientist*, provided this summary of the state of National Health Insurance:

"The plight of Britain's Health Service conflicts desperately with the avowedly utopian ideals of its founders. For most of us, it is only when we join a year-long hospital waiting list, or have to take an injured child to a hospital casualty department, that we realize just how threadbare and starved financially the service really is. Not only is there an acute shortage of resources, but the expertise and facilities that are available are all too often dispensed via a conveyor-belt system which can at times be positively inhuman."¹⁰

As a result of widespread public dissatisfaction, in 1989 the British government began dismantling its National Health Service, and reintroduced market-based health care competition.¹¹

Canada. What of the Canadian National Health System, which many U.S. politicians

"It is a worthy thing to fight for one's freedom; it is another sight finer to fight for another man's." --- Mark Twain

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ized medical system, the government, not you or your doctor, decides what treatments, doctors, and drugs you get. If you don't like the service the government gives you, your only alternative is to flee to another country or to break the law and bribe a doctor. Under socialized medicine, the exercise of free choice becomes a crime.

"Abolishing inequality requires massive government power. But power by its nature is unequal: there are those who have it and those that do not."

Even after it destroys quality health care and individual liberty, socialized medicine still cannot achieve equal treatment for all. When planners try to make all people equal, they confront the inescapable paradox of equality: Abolishing inequality requires massive government power. But power by its nature is unequal: there are those that have it and those that do not. Giving government the power to make everyone equal necessarily creates the worst form of inequality: that of master and subject. In practice under socialized medicine, those with more money and friends in the government get vastly better health care than those without power and connections.

Socialized medicine will not work any better in the United States than it has in England, Canada, Russia or elsewhere. Consider just the economics of socialized medicine in the U.S. Medicare and Medicaid costs are already skyrocketing out of control. State governments cannot afford the 20% of their budgets that Medicare and Medicaid now consume. Where will government get hundreds of billions of dollars more for national health insurance? A complete Canadian-style national health insurance system for the U.S. would initially cost over \$339 billion and require that payroll taxes be nearly doubled, or require a new national 10% business tax.²¹

Socialized medicine does not work, but has the free market failed as well? If freedom works, why is American health care now in crisis?

Government Intervention and Health Care Costs

The answer is that America does not have a free market in health care, and in fact has not had one for 50 years. What we have had is

a half century of mounting government encroachment upon medical freedom, leading to more and more health care problems.

Over 42% of funds spent on American medical care are now controlled by government. Over 700 state laws, some hundreds of pages long, govern all health care providers and institutions.²² According to some estimates, for every man-hour of health services provided by doctors, two hours are spent by clerks filling out government paperwork. Dr. Francis A. Davis estimated in the March 1991 issue of *Private Practice* that government regulations have already increased the cost of medical care by up to 50%!

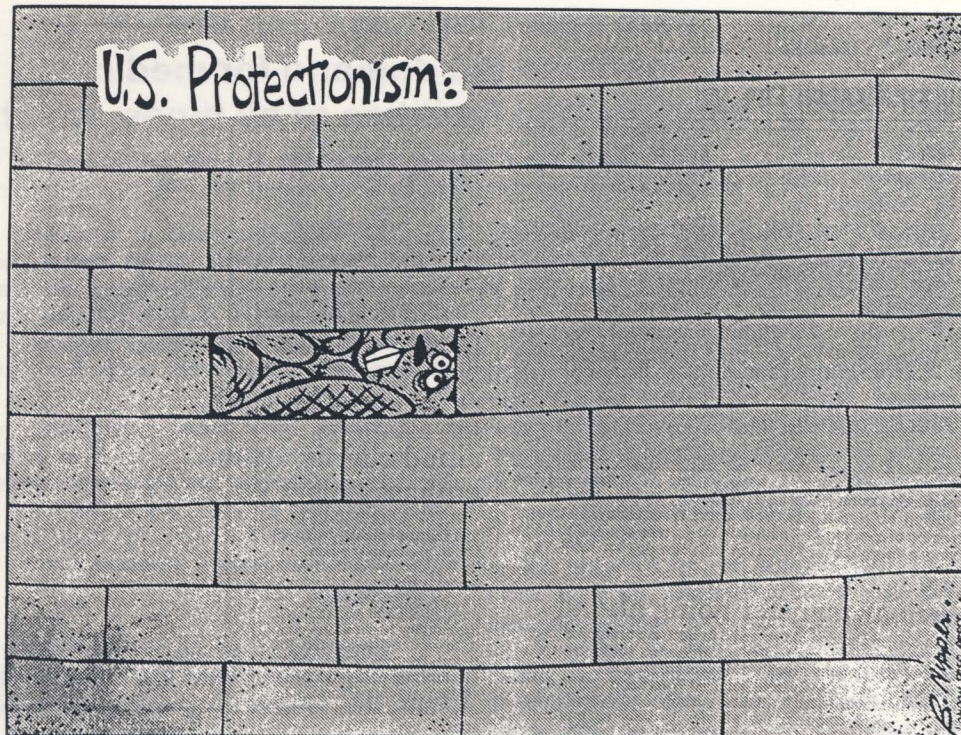
Government regulations and controls now intrude upon virtually every area of health care in America. These regulations increase tremendously the cost of health care. Here are some examples:

The War on Drugs. U.S. federal drug certification requirements are the most burdensome in the world. It presently can cost \$231 million and takes 12 years to develop, test, and certify a single new drug in the U.S.²³ The introduction of many drugs, which have been thoroughly studied and used safely in Europe, has been delayed for years or even decades in the U.S. by the Food and Drug Administration. FDA delays in the introduction of just one drug, the beta-blocker propranolol, used to treat angina and hypertension, caused at least 30,000 avoidable deaths in the U.S.²⁴

Literally hundreds of thousands of Americans have died in the last two decades, and millions have suffered needless pain and expense, as a result of government drug regulations.²⁵ Further, the prohibition of marijuana, heroin, and cocaine has created a growing public health crisis in America.

Consider the medical implications of the government's ban on marijuana. On September 6, 1988, Drug Enforcement Administration (DEA) Administrative Law Judge Francis L. Young stated: "The evidence in this record clearly shows that marijuana has been accepted as capable of relieving the distress of great numbers of very ill people, and doing so with safety under medical supervision. It would be unreasonable, arbitrary and capricious for DEA to continue to stand between those sufferers and the benefits of this substance in light of the evidence in the record."²⁶

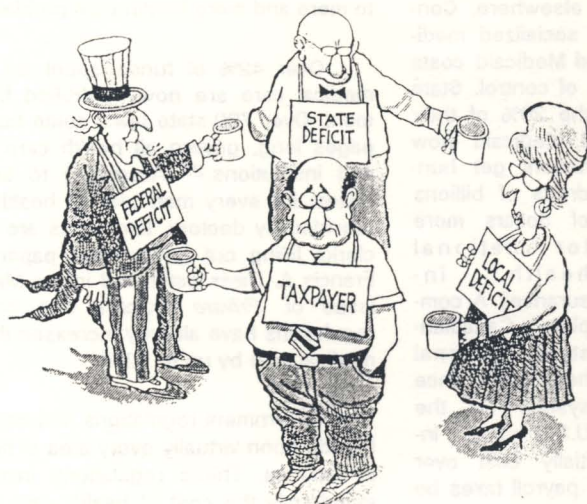
Judge Young concluded that many classes of patients could potentially benefit from medicinal use of marijuana, including



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"The man who reads nothing at all is better educated than the man who reads nothing but newspapers."
--- Thomas Jefferson

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sufferers from glaucoma, chemotherapy, multiple-sclerosis, spasticity, and hyperparathyroidism.²⁷ Glaucoma sufferers alone currently number over two million Americans. Despite this finding by the DEA's own administrative judge, marijuana continues to be totally banned for all uses, including medical applications. Indeed, penalties for possession and use of marijuana have steadily increased over the last 20 years.

Medicare, Medicaid, and Tax Policy. A growing chorus of politicians and social activists decry the "high cost" of medical care in the United States and the increasing percentage of our Gross Domestic Product it consumes. What is seldom mentioned is that mounting health care spending and prices are largely a result of escalating demand, public policies, government health care entitlements, and tax policies.

Medicare and Medicaid, our major health care entitlements, were enacted in 1965. Closely allied with the Social Security system, Medicare provides health insurance for approximately 30 million Americans, primarily the elderly. Medicaid provides health care for tens of millions more of the disabled and indigent, and is administered by the states. In the last 25 years Medicare and Medicaid expenditures have soared: from less than \$5 billion in 1967, to \$79 billion in 1984, to over \$160 billion in 1990.²⁸

Prior to 1983, Medicaid used a "cost-plus" system for reimbursing medical providers. Doctors were allowed to base their billings upon the cost of the services they provided. Thus the higher a doctor's costs, the

more a doctor would make. The cost-plus system made it in a doctor's self-interest to make his costs as high as possible, contributing to a rapid growth in health care costs.

Overall, the effect of Medicare, Medicaid, and other rapidly expanding government health care spending has been greatly to increase the demand for medical services and facilities of all types, which has led to rising health care prices.

Government tax policies are another major factor in escalating demand for and prices of medical services. When health insurance is provided as an employee benefit it is fully tax-deductible; in other words, it is paid for with pre-tax dollars. But when health care is paid for by employees directly, it is paid for with very expensive after-tax dollars, and is not fully tax-deductible. Hence there is an incentive for health care to be provided by employers in the form of insurance, rather than for employees to pay for health care directly out of their own pockets. Largely as a result of U.S. tax policies, "The share of health care spending paid by business increased from 17% in 1965 to 28% in 1987, while the share paid directly by individuals fell from almost 90% in 1930 to just 25% in 1987."²⁹

The growing reliance of Americans upon insurers (public and private) to pay their medical bills has destroyed virtually all incentive for health care consumers to monitor and control costs. As Louise B. Russell noted in her 1977 Brookings Institution study:

"This incentive structure means that at the point at which decisions are made about the use of resources, the people who make those decisions are able to act as if the resources are free. Rationally they can and do make decisions that bring little or no benefit to the patient, since the resource costs of the

decisions -- to the people making them -- are also little or nothing... (T)here are virtually no economic constraints left to prevent decision-makers in medical care from doing everything they can think of, no matter how small the benefits nor to whom they accrue."³⁰

Medical Licensing. U.S. doctors are among the most regulated in the world. State medical boards, monopolized by the American Medical Association members, license doctors, hospitals, and medical schools. The declared purpose of medical licensing is to assure quality health care. The actual effect has been to limit the number of doctors, increase the cost of health care, and promote medical practices favored by the AMA at the expense of less costly alternatives. Many alternative practitioners -- such as osteopaths and chiropractors -- were almost run out of business by AMA-dominated medical boards.

The AMA has opposed prevention and treatment alternatives that would greatly reduce medical costs, such as midwives, nurse-practitioners, and nutritional therapy. There is mounting scientific evidence that many suppressed alternative forms of treatment are not only less expensive, but are more effective than government-approved medicine. Alternative practitioners are often much more compassionate as well.

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The AMA has used its monopoly to exclude women, blacks, and alternative practitioners from the medical profession. Artificially restricting the number of doctors makes health care much more expensive for everyone. As Dr. Mary Ruwart reports in *Healing Our World*:

"By the early 1900s, every state had agreed to the aggression of physician licensing... One half of the existing medical schools were approved, so most of the others had to close their doors by 1920. By 1932, almost half the medical school applicants had to be turned away...

"Licensing of physicians was largely a result of lobbying by the AMA... Not surprisingly, the established practitioners suggest

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"To be effective, one must be unaffected." --- Elbert Hubbard

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giving licenses to those already in practice, setting high standards for new entrants, and denying approval to practitioners who use different techniques from theirs... In 1910, there were seven medical schools specializing in training black physicians. By 1944, only two had survived. Women were excluded from the medical profession in the same manner.

"In 1938, students of homeopathic, osteopathic, and chiropractic medical schools could no longer qualify for licensing as medical doctors. Hospitals or medical schools that dared to employ them risked losing their approved status... Alternative practitioners were frequently denied other privileges as well. So blatant were these discriminatory

obstetrics. Finally, the expense of coping with the AIDS epidemic and the medical needs of an aging populace have increased the demand for medical services and hence their cost. Some of these factors have been greatly aggravated by government policies. Others have little or nothing to do with government regulations. In either case, socialized medicine will do nothing to alleviate these problems.

Health Care Alternatives

Fortunately, socialism and inaction are not our only two options. We can make health care more affordable and more available while preserving quality and freedom of choice. Here are some positive steps we can take now:

"We can make health care more affordable and more available while preserving quality and freedom of choice."

practices that in 1987 the American Medical Association was found guilty under the anti-trust laws of having 'conspired to destroy the profession of chiropractic in the United States' by using the political power afforded them by licensing laws."³¹

Another tragic effect of medical licensing has been the disappearance of competent medical services from most poor communities, particularly rural ones. Thanks to government regulations and the litigation explosion, many rural communities and small towns now have no doctors at all.

Insurance Regulations. Insurance underwriters, like doctors and hospitals, are subject to hundreds of government-issued mandates. As a result they seldom pay for drugs or treatments which the government has not approved. Again, the effect is to make many safe and inexpensive forms of treatment unavailable to American citizens, while raising health care costs for everyone.

Other Factors. Government regulation is not the only factor in escalating U.S. health care costs. Other major factors include mounting social violence, which is overloading urban emergency rooms. Many hospitals are closing their ERs to avoid bankruptcy. The explosion of litigation against doctors and the willingness of juries to give multi-million dollar punitive damage awards have made \$100,000-a-year malpractice premiums commonplace, and litigation is causing many doctors to abandon high-risk specialties such as pediatrics and

Privatize Health Care. Medicare and Medicaid are imposing horrendous costs upon

American taxpayers. There is no free lunch. When health care is "free" (i.e., indirectly financed by taxation), there is little incentive for either patients or doctors to minimize costs. Government-guaranteed medical services raise prices and costs, result in massive waste, and create a bureaucracy in a futile attempt to control costs.

Government should get out of the medical insurance business. We will get far better value for our health care dollars if we spend them directly ourselves.

Free Insurance Companies from Government Regulations. Government insurance mandates --- specifying how insurance policies must be written, what illnesses may be covered, and what fees can be charged --- put a straitjacket on health insurance providers and cost the U.S. economy over \$60 billion a year. There are now over 700 mandates enforced by state governments. These mandates prohibit inexpensive policies with limited coverage --- leaving 8.5 million Americans uninsured.³²

Using medical insurance to pay for small claims is also highly inefficient. As Joseph Bast points out in *Why We Spend Too Much On Health Care*, "it costs as much as \$50 to

process a \$50 claim," adding billions to medical costs.³³

Insurance companies should be free to innovate and introduce new policies which meet the diverse needs of the American people. Relieved of the governmental regulations currently imposed on them, health care insurers could become leaders in cutting costs and creating inexpensive coverage for currently uninsured Americans. The single reform of ending all mandates would reduce health care insurance costs in the U.S. by 30%!³⁴

Deregulate Medical Research and Marketing. Burdensome government testing and certification requirements have added years of delay and billions of dollars in cost to the development and marketing of new drugs. Government has made it economically impossible for small pharmaceutical manufacturers to survive, or for any manufacturer to develop drugs for diseases that affect small population groups. Hundreds of thousands of lives have been needlessly lost as a result of delays and added costs imposed by government regulations. Drugs which could alleviate the suffering of millions are kept from the market because they don't meet the government's arbitrary standards.³⁵

The decision whether or not to take a drug should be made by the patient and his doctor. In a deregulated market, misleading or dangerous claims would be minimized by natural market forces, including the threat of legal action by consumers. Unlike government regulatory agencies which are protected from lawsuits for their mistakes by sovereign

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immunity, non-governmental businesses are always subject to legal action.

Deregulating medical research and marketing would save tens of thousands of lives a year, make it economical to develop many new drugs, and drastically cut the cost of drugs for everyone.

End Medical Monopolies. The American Medical Association is a coercive monopoly which makes it difficult or impossible for

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"The flood of misinformation, misrepresentation, distortion, and outright falsehood about capitalism is such that the young people of today have no idea of its actual nature." --- Ayn Rand

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alternative health care providers --- such as nurse-practitioners, midwives, osteopaths, chiropractors, and nutritionists --- to market their services. State medical licensing boards are composed virtually entirely of AMA-certified physicians and have created "medical standards" which make it impossible for medical schools to survive unless they adopt curricula approved by the AMA.

AMA-dominated, politicized state medical licensing ought to be abolished and replaced by independent certification of doctors. Consumers, not politicians or powerful groups of doctors, should decide which health care practitioners we can patronize.

End Drug Prohibition. Drug prohibition is a contributing factor to America's health care crisis. Legalizing drugs would eliminate many deaths from adulterated substances, permit addicts to seek treatment without fear of arrest, enable those suffering from glaucoma and cancer to use marijuana and cocaine therapeutically, and permit patients and doctors to use drugs now legally available in other countries. Ending the war on drugs would reduce health care expenditures in the United States.

A Warning

If you want to know how national health insurance would work in America, we have a model. For more than 60 years the Veterans Administration has been charged with handling the health needs of millions of disabled and discharged servicemen and women. With a fiscal 1990 budget of \$30 billion, the VA runs America's largest health care system, including 172 hospitals, 233 outpatient clinics, and 122 nursing homes.³⁶

Investigations of the VA have found abominable conditions: long waiting periods for surgery, filthy hospitals, severe shortages of staff and drugs, antiquated equipment, incompetent staff, indifferent and hostile administrators.³⁷ Here is just one example:

On January 15, 1992, CBS News reported that Walter Reed Army/Navy Medical Hospital had been refusing to provide amputees coming back from the Gulf War with artificial limbs. Other veterans were given shoddy prosthetics using antiquated technology. Compounding the tragedy, Walter Reed refused to accept donations of modern prosthetics offered by sympathetic Americans.

Commenting on why soldiers were denied modern artificial limbs, a Medical Services colonel retorted, "I am not going to spend the taxpayers' money if you will just be sitting at home. Why should I spend \$5,000 for something that you will just look on?" Commenting on the refusal of Walter Reed hospital to accept donations of modern limbs for veterans, the colonel stated, "We disapprove it because we are the primary health-care pro-

viders and we believe that we provide the best total care to the patient. And the patients belong to us."³⁸

The most callous Soviet bureaucrat could hardly have been more arrogant. This incident gives us a glimpse of the future of health care in America --- if national health insurance is enacted.

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Footnotes to 'National Health Insurance: A Medical Disaster'

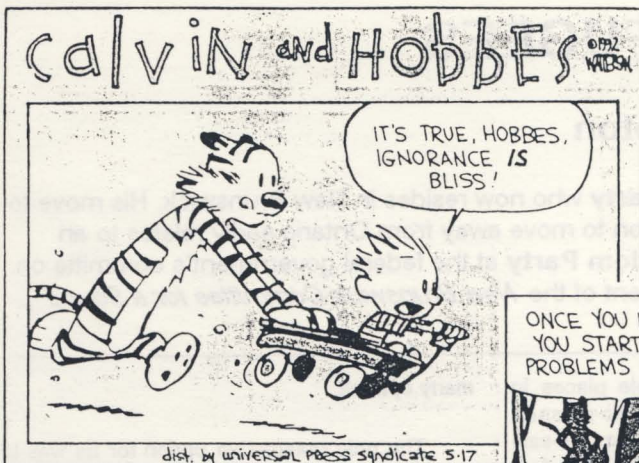
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**"Separate the greedy from the needy
and any poverty program will work."**

"Variables won't, constants aren't." --- Don Osborn



"When you live in a democracy, you can say what you think without thinking."



"No constitution, no court, no law can save liberty when it dies in the hearts and minds of men and women."



"The march of civilization is slow because so many are out of step."

* Sayings from 14,000 Quips & Quotes by E. C. McKenzie



"Ruling is easy, governing difficult." --- Goethe

ECONOMIC REFUGEES

-William Frampton

(William Frampton is past-Metro Regional vice-president of **Freedom Party** who now resides in New Brunswick. His move to New Brunswick and his family's experience in arriving at their decision to move away from Ontario sadly relates to an increasing number of Ontarians. Mr. Frampton, who represented **Freedom Party** at the federal government's committee on the *Process for Amending the Constitution of Canada*, is now President of the *New Brunswick Committee for a Sound Constitution*.)

When Ontario's NDP government presented its 1992 budget, Toronto lawyer Joe Peschisolido was quoted in the *Globe and Mail* as saying that "Small businesses and individuals are being financially evicted from the province." This is undoubtedly true, as I can attest only too well. My family and I are among those people.

While some may think the election of the NDP in September 1990 was a departure for Ontario politics, this is not the case. In reality it merely accelerated the trend of steadily growing government that had existed for some years under both PC and Liberal governments. The Liberal government of David Peterson --- remember him? --- had increased both provincial government spending and taxes several times during its five-year tenure in office. According to one account, provincial taxes were raised 33 different times under Peterson.

Under the influence of an openly socialist philosophy, the NDP immediately increased provincial government spending to record new heights. Despite still more tax increases the deficit zoomed to \$11 billion as a consequence. In its first two years in office, Bob Rae's government has increased Ontario's debt by \$2,000 for every man, woman, and child in the province. The effect on business confidence and the job market was dramatic. Today, the few Ontario employers who are hiring find themselves besieged by long lines of hopeful applicants.

Already struggling with the high cost of living in Ontario and the previous level of taxation, Ontario businesses and residents soon found themselves thrown out of the frying pan and into the fire. Gradually they

began to look for more hospitable places in which to live and work, and the once-prosperous province came to resemble a fire-sale district as plants started to close, people lost their jobs, and the real estate market was glutted with houses for sale.

Worse still, the Rae government's new labour legislation will further reduce Ontario's ability to attract and keep viable businesses. Yet Premier Rae still found time to travel

across Canada campaigning for the YES side in the recent referendum. Maybe people should start calling him Nero.

Our family's situation is by no means unique.

For us and for many other couples, home ownership in southern Ontario had become impossible without two incomes and financial assistance from relatives. When we bought our first house in Burlington we could manage reasonably well at first --- then we had a child and my wife Cathy stopped working for a few years. Slowly but surely we found ourselves unable to keep up with the cost of living with only one income. Yet with the cost of daycare, it is hardly worth a mother's while to go out and get a job unless she can make very good money.

I used to commute forty miles from Burlington to Toronto, which added an extra two hours to each working day. Every day I would see people at the GO station who drove another thirty miles or more from Brantford and St. Catharines, then rode the train to Toronto. This does not provide much quality of life, but people struggling to pay the over-inflated house prices in the area don't have

many options.

The only reasonable option for us was to get out of the so-called "golden horseshoe" and move someplace where we could afford to live on one income. Fortunately, there happened to be a number of employers in the Maritimes with openings in my field. I applied, received a good offer, and moved to New Brunswick.

Although salaries are lower here than in southern Ontario, we made an excellent move. We purchased a house in Riverview for only \$64,500 that would have cost at least \$160,000 in Burlington at that time. Despite the fact that I took an 18% pay cut, my former employers couldn't possibly have offered me an increase that would match my Moncton salary in buying power. It only takes me ten minutes to get to work every day, the air is clean here, and people have time for each other too.

One of my former colleagues in Toronto whose skills are not as widely marketable as mine said he was "very envious" when he heard of our move. This is not hard to understand. We know many people in that area who will never be able to afford a home of their own. The available jobs simply don't pay enough for people to cope with the high cost of living and the steadily growing tax burden. Yet, many of these people are trapped because the type of jobs

they do only exist in the big city.

The election of an NDP government has accelerated the pace of Ontario's decline. Perhaps Ontario voters will soon realize the folly of listening to the siren song of increased government intervention in their lives. One certainly hopes so, for only when they elect a responsible new alternative will it be possible to repair the damage inflicted by decades of economic mismanagement.

<END>

"In his first two years in office, Bob Rae's government has increased Ontario's debt by \$2000 for every man, woman, and child in the province."

"We know many people in (Ontario) who will never be able to afford a home of their own."

"The lazy deal in generalizations." --- Anonymous

WHOLE LANGUAGE VIEWED FROM AN HOLISTIC PERSPECTIVE

-R. N. Whitehead, Ph.D.

(R.N. Whitehead is the clinical director and founder of the *Oxford Learning Systems* and the *Oxford Learning Centre* schools. Requests for additional information can be addressed to Dr. Whitehead, c/o Oxford Learning Centres, 312 Commissioners Rd. W., London Ontario N6J 1Y3.)

Whole Language vs. Phonics is a subject engendering much discussion these days. Parents are demanding a return to the teaching of reading by phonics, while school board trustees and administrators are claiming their reading programs are effective. Teachers are often confused and kids are stuck in the middle.

It may be possible to better understand this issue if we examine some of the primary principles underlying the act of reading.

A child first hears language by listening to his/her parents. But (s)he does not merely copy the sounds of his/her parents! A child must make an enormous mental step in order to begin learning this language. Every word in our language represents a particular and single concept.

When children first learn language, they first have to understand --- in a mind that has no language at all --- that the strange sound they are hearing is connected to whatever the parent is pointing or referring to.

For example, when you say "Mommy" to the child and point at yourself, how will the child know what you are doing, or that that sound you have made even has any meaning at all? Understanding that the sound refers to one specific concept is a feat which requires that the child understand that it is necessary to categorize information in order to make greater sense of his/her universe.

Without language, we can only think about what is in our conscious mind right now. All the learning of the past would be lost to us. Without words to summarize and represent concepts, we would have to develop each concept anew every time! --- much like the lower thinking-order animals do.

All the language children learn is through their ears. They hear sounds, learn to distinguish the differences between these sounds, learn to blend diverse sounds together, learn what concepts are and what the individually blended sounds (words) stand for. All this information is filed in the subconscious and the language is **verbal**.

The next step seems logical. Children already understand all the concepts of language implicitly. If they can speak in clear sentences, they already have comprehension!!! We do not have to worry about that, our task should be to teach them how to access the incredible amount of stored knowledge and literature humankind possesses.

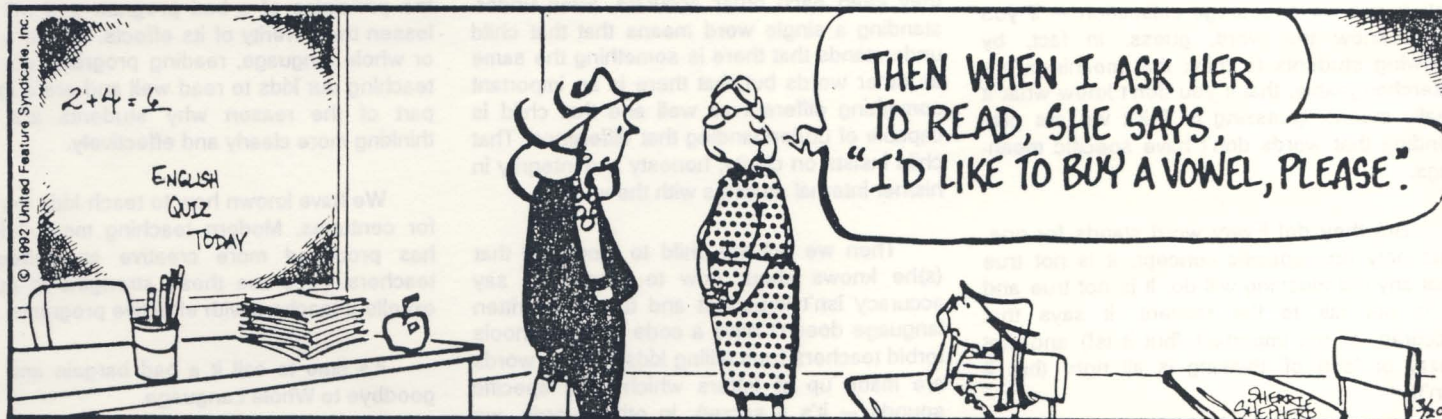
How? By teaching children to understand the code or script we use to write our language. It is a unique code and it is designed to be built from the ground up, much the same way every single verbal or mental concept is formed!

Amazing! Language and thinking are developed together and in the same way!

In fact, language was developed so that we could further enlarge our knowledge. It is primarily a tool of thinking, not communication. Reading should not be different. If we first helped the child to understand abstract concepts by making sure they understood concrete ones --- by teaching verbal language --- then we should teach reading in the same manner. That would suggest to our children that there is some logic and order to the learning of written language just as there was in the learning of spoken language and in thinking!

(cont'd next pg.)

FRANCIE — BY SHERRIE SHEPHERD



"It is nothing short of a miracle that modern methods of instruction have not yet strangled the holy curiosity of enquiry." — Albert Einstein

(cont'd from prev. pg)

The building blocks of reading are letters, and there are only 26 of them. All words flow from these basic 26 units. If for no other reason than it is logical and rational, we should consider using only phonics first reading programs for our children. It is empowering and important for the development of their self-esteem.

But there is more! Much more. When we throw away phonics as the first and primary method of decoding and switch to whole word (whole language) method, we are telling our kids something that isn't true. We are saying that there is no code! That there is no order to the development of language. That words themselves are the blocks of the language.

But they cannot be used as parts of a whole. In other words, you make words from letters but you don't make new words by splicing two or three other words together. So, in fact, words are not the blocks of the language --- letters are!

However, that's not what we tell our kids. By depriving them of the understanding that letters, not words, are the blocks of the language, we are making language incoherent! It can't be understood, there is no pattern, it can just be memorized. Can you imagine having to memorize by sight every single word in the English language? Well that's what we condemn kids to do when we teach them whole words, not letters.

This causes another problem. The problem of thinking. If we begin by the whole word method we are encouraging a number of practices. We encourage and reward memorization and we encourage estimation --- if you don't know the word, guess. In fact, by allowing students to think that meanings are interchangeable, that if you don't know what it really means, guessing is O.K.; we are pretending that words don't have specific meanings.

But they do! Every word stands for one, and only one specific concept. It is not true that any old meaning will do. It is not true and it is not fair to the student. It says that accuracy is not important (but it is!) and that fuzzy or 'sort of' thinking is all right (but it isn't).

So we encourage kids to memorize and match, tell them that accuracy is not important, forgive and allow fuzzing thinking and pretend that creative (inventive) spelling is fine. Then what happens? High school, university, college and life happens.

Students who prefer matching usually end up thinking associationally, not conceptually. They can't problem solve, don't take academic risks, need structured programs and lots of help and guidance --- all of which impede the development of real self-esteem. They don't 'get it', don't make the connections or see the relationships. They are disorganized,

not motivated, sometimes confused, angry or defensive. They are not achieving their potential! They haven't learned how to think critically. Ask any high school English or Math teacher, go to a university and inquire of the English, Philosophy, Business or Psychology Departments, speak to business leaders about the literacy of many recent graduates and you will see we already have this problem. It's not going away, it's going to get worse.

And it begins when we cast the first seeds of doubt in the pristine minds of our children.

A child who has learned to speak already knows (implicitly and probably without the words to defend him/herself with) the importance of accuracy. Watch kids play and observe how carefully they keep each other accurate. Even understanding a single word means that that child understands that there is something the same as other words but that there is an important something different as well and that child is capable of understanding that difference. That child insists on clarity, honesty and integrity in his/her internal dealings with the world.

Then we tell the child to ignore all that (s)he knows about how to learn. We say accuracy isn't important and that our written language doesn't have a code (some schools forbid teachers from telling kids that the words are made up of letters which have specific sounds --- it's a secret). In other words, we

imply that how the child has been using his/her mind is wrong!! What they figured out for themselves can't be trusted. They are wrong for life! If one thinks of the amount of struggle an adult goes through in order to understand the whys and hows of his/her life and then considers that this self same struggle is occurring daily in the hearts and minds of our children, one might begin to see why it is so important for them to feel that they are capable of understanding --- their very survival depends upon it.

But our reading programs pull the rug out from under our children. We discount the achievement of their minds and the confidence and pride they have developed as a result of that great achievement. In fact, what a child accomplishes in learning to speak is probably the greatest achievement of his/her life. It is certainly the hardest.

Instead of celebrating this great achievement --- that required precision, logic, understanding --- we tell them to memorize and trust. We drive a spear into the very soul of their self-confidence and feelings of self-esteem and it is no wonder that they prefer to memorize and live in a structured universe! If their own minds are not safe or competent then the only other option is trust and follow.

But it's just a reading program you say! And teachers love kids and want to help them. And school boards don't want to cause problems, they want to educate kids as effectively as possible. Yes, all that may be true, but it doesn't change the facts. All the good intentions in the world will not change the principles of a bad program and will not lessen the severity of its effects. Whole word, or whole language, reading programs are not teaching our kids to read well and are a major part of the reason why students are not thinking more clearly and effectively.

We have known how to teach kids to read for centuries. Modern teaching methodology has produced more creative and effective teachers. Let's use these strengths to marry excellent teachers with effective programs.

It's time to call it a bad bargain and say goodbye to Whole Language.

<END>

"Doors were invented for the simple purpose of permitting discriminate entry." --- Professor Ray E. Brown

"If we begin by the whole word method, we encourage and reward memorization and we encourage estimation --- if you don't know the word, guess."

"We have known how to teach kids to read for centuries. It's time to call it a bad bargain and say goodbye to Whole Language."

A MATTER OF FORCE

-Danielle Metz

(Danielle Metz is an aspiring writer and novelist who is currently completing her high-school studies in preparation for her journalistic career. The following essay was originally written as an English assignment, and touches upon a sensitive philosophical issue: the acceptance of contradictions.)

Despite any assertions to the contrary, the right to initiate force is a fundamental power granted to all established governments.

When confronted with the suggestion, most people I have talked to quickly reply that "of course they don't support the initiation of force" with an indignant sniff that challenges my right to even ask. Yet upon further discussion, I discover that they believe in all kinds of controls based on the very principle they so vehemently deny.

For example, a very confused co-worker of mine (who shall remain nameless) very readily agreed with me that no one had the right to initiate the use of force against another. I asked him to consider it carefully, to compare it with the other beliefs (or lack thereof) he held.

He nodded impatiently insisting that he agreed with my statement completely. Sensing an opportunity to make a point, I dredged up a previous discussion in which he supported a price cap on doctors' salaries. "I don't care who they are," he argued, "nobody's worth half a million dollars a year."

Avoiding the obvious argument concerning his right to judge how much someone was worth (and why this magic number of half a million?), I asked him how he would implement his salary cap should

some doctor disregard this arbitrary limit on his income -- given, of course, that my co-worker didn't believe in the initiation of force.

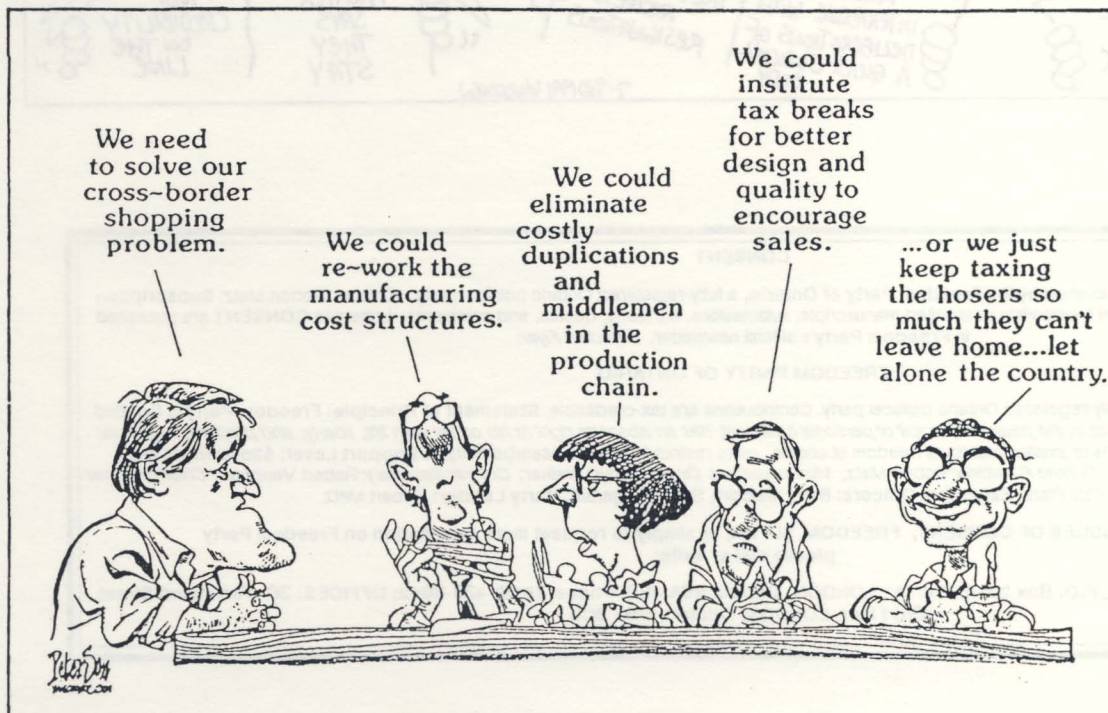
His response was irrational, and predictable with those confronted with a contradiction in their beliefs: "I don't know and I don't care."

Another co-worker of mine also agreed with the assertion that no one had the right to initiate the use of force. He also believes in the 'justice' of social programs, the 'enforcement' of bilingualism, a cap on doctors' salaries, and the sham the government of Canada is trying to pass off as a constitution. When asked how these latter beliefs were to be

"It's force or choice. No compromises."

implemented in light of his initial premise, I was swamped with a morass of irrational and almost unintelligible reasons which had no bearing on the subject whatsoever, the basic gist of which consisted of the moral right of the needy to hold a mortgage on the ability of others.

At this point, I could see that rationality and reason had made a swift exit, and it was time that I did too.



Then there's drug laws. We all agree that drugs are bad for your health. The questions now arise: "Is it the government's job to protect us from ourselves? How do you enforce laws to stop people from taking drugs? As adults, are we not entitled to make our own decisions concerning our health?"

Their answer, avoiding the question, refers to the drain on our health system: "We are forced to pay for these junkies who O.D. and who require medical attention."

I smile and point out the key word of their sentence is "forced". Along their line of logic, the government should have the right to keep us all on diets that prohibit the consumption of fatty foods, sweets, caffeine, alcohol, tobacco -- and to make sure

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"It co-existence. Or no existence." --- Anonymous

(cont'd from prev. pg)

everyone has those sticky things on the bottom of their bathtub. The simple answer is to have everyone pay for their own health care — therefore decreasing the use of drugs on an economic basis.

My opponents apparently have nightmares about salivating drug addicts toting sub-machine guns through the streets, robbing little old ladies to pay the drug dealers.

I patiently explain that this is an irrational fear based on propaganda; the main reason drug addicts (which, considering the projected use of illicit drugs, are a small minority of the drug community) commit crimes to get their drugs is when prohibition-created black market prices have driven them out of financial reach.

Without prohibition, prices would drop so drastically that all of the criminal empires built on the drug trade would crash almost overnight. But none of this is relevant to the fact that the only way government can stop people who want to take drugs is through the *initiation of force*.

"That's too simplistic," I'm told. "We have to compromise to find true justice."

Yet a compromise on an issue of morality is to accept something which you know is morally wrong, no matter how limited the extent of acceptance is. In morality, this so-called "grey" area consists of both white and black, of good and evil. By accepting the grey, one is accepting the black, the 'evil'.

Unfortunately, this lack of consistency and acceptance of contradictions in principle characterizes the majority of people I have spoken with. As a result, most agree that the initiation of force is wrong, but refuse to apply this belief to their hierarchy of values.

Perhaps if more of us had 'forced' ourselves to confront these contradictions when it was still a matter of choice, we might have avoided being 'forced' to deal with the consequences of our evasion and our acceptance of the right of governments to initiate force: escalating taxes, deficits, lost job opportunities, and vanishing freedoms and choices.

In the absence of choice, all issues are resolved as a matter of force. No compromises.

<END>

MAYOR FIFE—BILL WARKENTIN



CONSENT

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