

Libertarian Party of Hawaii

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News

July 2012

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Cindy Verschuur	lahilahi@hawaiilink.net

Upcoming events:

International Society for Individual Liberty

When: Friday-Sunday, July 20-22, 2012
Where: **DoubleTree by Hilton Huaqiao/Kunshan Hotel**
2 Zhao Feng Road, Huaqiao CBD
Kunshan, Shanghai, China 215332
Who: more than 17 international speakers
What: Austrian Economics Summit, Asia Regional Conference
Cost: from \$758
Contact: **Li Zhao Schoolland**
1 (808) 676-0825
li.schoolland@gmail.com
[Shanghai Austrian Economics Summit](#)



Universal Health Care

By Pat Brock
20 January 2008

I hear the perpetual din of candidates from all along the political spectrum advocating universal health care.

People say the increasing cost of health care is reason to turn the system over to the government. Certainly, the many drugs and complex procedures that can now save people from death and debilitation, that weren't available a few generations ago, are expensive and need to be paid for. But extensive government regulation is also responsible for the soaring costs of health care.



An acquaintance of mine builds hospitals in California. He recently informed me that the legislature there recently mandated that \$400 electrical wall receptacles be installed in all California hospital rooms. Often other states follow the lead of California, so those expensive receptacles will likely show up in your local hospital. I fear that the \$400 receptacles, and things like it, will kill me. Either, I won't be able to afford my health insurance and the expensive hospital room I need, or the government will work me to death to pay taxes toward a universal health care system full of \$400 receptacles.

Since government has partially broken health care, how does it make sense to give greater control of it to government, to fix it?

Physicians and other medical professionals and manufacturers need to make a living just as we do. We need their services, and so, a market has been established. Government management of this market cannot make their services cheaper. Instead it would tend to include additional management personnel who have to be paid, but who add little to the value of the product. Trying to thread the multidimensional market of health care through the needle's eye of government will ultimately benefit few others than the civil servants tasked with mediating such arrangements. Health care will become more complicated and difficult to acquire for most.

Many cite Medicare as an example of a successfully government managed health care system. Like Social Security, it is questionable if the expensive Medicare system can be sustained. An elderly relative of mine recently had back surgery and was issued a corset-like back brace which he used only once. He was outraged when he learned the product, which could have sold at Wal-Mart for less than \$100, cost the government \$1400. This price certainly was good for the company that got the sweetheart deal to make and sell the brace to Medicare, but it is not good for American taxpayers. And it tends to inflate the market price others must pay for the item.

If government is to make health care attainable, it ought to relax many, if not most, of the stringent regulations that have helped spiral health costs into the stratosphere. Rather than government regulated medicine, nonprofit organizations or private companies like Consumer Reports, could grade procedures and providers so that consumers could make personal choices regarding quality versus cost. With relaxed regulations, more nonprofit co-ops or for-profit companies, like Kaiser-Permanente, could offer affordable health care packages to members.

Even if there were no government mandated medical requirements, American health care consumers would continue to be protected by the tried and true, government run, civil court system. Our open court system continues to compensate victims and deter incompetent providers.

Ultimately, a government run health care system will be more expensive and less flexible than the market system we have now. Contrary to popular sentiment, the United States government is not a bottomless well of wealth and resources. It's a cash flow system, like any other. Its wealth is the result of the combined efforts of its citizens. One way or another we will have to continue to pay for health care. If government takes control of health care, to pay for it, it will have to charge us more taxes or will have to borrow more money from international bankers or countries like China, and will hold the I-owe-Us for us to pay in the future.

Government controlled markets, including health care, are a bad idea. Hardly anyone will be better off for universal health care than the politicians who get elected promising it.

[Recommended Links:](#)

[Advocates for Self-Government](#)
[American Civil Liberties Union of Hawaii](#)
[Ayn Rand](#)
[David D. Friedman](#)
[Freedom Library](#)
[Foolish Things Salon](#)
[Future of Freedom Foundation](#)
[Harry Browne](#)
[Institute for Justice](#)
[John Locke](#)
[Jonathan Gullible - Ken Schoolland](#)
[Lew Rockwell](#)
[Libertarian Anarchism – Roderick T. Long](#)
[Libertarian Party of Hawaii](#)
[Libertarian Party \(UK\)](#)
[Libertarische Partij \(Netherlands\)](#)
[Milton Friedman](#)
[Murray Rothbard](#)
[Reason](#)
[Smart Business Hawaii](#)
[Tom Mullen](#)
[Young Americans for Liberty](#)

[Alternate Solutions Institute \(Pakistan\)](#)
[Antiwar](#)
[Cato Institute](#)
[Federalist Society](#)
[Freeman Online](#)
[Friedrich Hayek](#)
[Grassroot Institute of Hawaii](#)
[Independent Institute](#)
[International Society for Individual Liberty](#)
[John Stossel](#)
[Law Enforcement Against Prohibition](#)
[Liberal Democratic Party \(Australia\)](#)
[Libertarian Party of America](#)
[Libertarian Party of Hawaii - Discuss](#)
[Libertarianism](#)
[Liberty Unbound](#)
[Mises Institute](#)
[Partei der Vernunft \(Germany\)](#)
[Scottish Libertarians](#)
[Tibor Machan](#)
[Walter E. Williams](#)

HEALTH CARE CRISIS IN AMERICA: IS GOVERNMENT THE CURE OR THE CAUSE?

*By Ken Schoolland,
April 30, 2010*

In crisis, people usually turn to government. It is easy to sympathize with the clamor for government action, but there are unintended consequences.

- 1) Does the government have a good record at operating insurance?

Hardly. The two largest government insurance programs are Social Security for retirement and Medicare for elderly health care. Four-fifths of the \$60 trillion in Federal debt liabilities are due to mismanagement of these two programs. This is more than \$400,000 per household in America. These two insurance programs alone are on track to bankrupt the nation. This is not a good recommendation for another government insurance program.

- 2) Does the government contribute to the rising cost of health care?

Yes. Rising costs are due to government interference with open competition and consumer choice. The power of competition is enormous and often underappreciated.

HEALTH CARE GUILDS

Throughout history governments have restricted competition to benefit special interest guilds. Health care has been no exception.

According to historian Ronald Hamowy, early medical licensing laws in America originated from Europe when physicians relied heavily on symptomatic treatments of bloodletting, blistering, and the administration of massive doses of compounds of mercury, antimony, arsenic, and other poisons. These licensing laws were repealed when traditional forms of medicine were discredited and popular new forms of medicine emerged using more natural remedies. By 1870, these new philosophies of medicine accounted for one physician out of every eight in America.

Entry into the market was open and low-cost access was available through an abundance of private medical schools. The number of medical graduates in the U.S. equaled the combined output of medical schools in Britain, France, Austria, and Germany. Low cost health care allowed more people to afford these services, but this was not welcomed by many physicians who wanted the government to restrict competition in order to raise prices. Rather than proving themselves through voluntary certification, demonstrated effectiveness, and competitive choice, the American Medical Association (AMA) sought to eliminate rivals through the erection of legal barriers.

CUTTING HEALTH CARE OPTIONS

The AMA, says Hamowy, succeeded in this manner:

- 1) establishing over 400 medical licensing laws in order to restrict the number of new physicians;
- 2) replacing the proprietary medical schools with non-profit institutions that trained fewer students at greater cost;
- 3) eliminating competing philosophies of medicine.

Hamowy's research found that these laws always included "grandfather clauses" that exempted older AMA physicians from meeting the requirements. In 42 states the refusal or revocation of a license was based, not on incompetence, but on violations of the AMA code.

This code forbade such things as advertising or cooperating with heterodox practitioners. The ban on advertising made it impossible for consumers to make informed judgments about physician records of performance, success, or even prices. And the ban on working with "irregular practitioners" froze eclectics and homeopaths out of "approved" hospitals. Soon, all non-AMA forms of healing for compensation were outlawed.

In 1928 the former head of the AMA's Council on Medical Education said, "the reduction of the number of medical schools from 160 to 80 (resulted in) a marked reduction in the number of medical students and medical graduates. We had anticipated this and felt that this was a desirable thing." Economist Roger Leroy Miller reports that the number of physicians dropped during a 30-year period from 157 per 100,000 population to 132. The number of medical schools training Afro-Americans dropped from seven to two. The number of women physicians actually declined. And, says economist John Goodman, the number of Jewish student admissions declined by twice the national average.

Using similar methods of control, says Goodman, private proprietary hospitals declined in number from an estimated 2441 in 1910 to 1076 in 1946. Though there had been a rapid growth in the overall number of hospitals in earlier years, this trend came to a stop. As prices rose, many people could no longer afford care and others were denied the benefits of improved innovation, quality, and service that come from competition.

LICENSING vs. CERTIFICATION

Is it possible to allow both the assurances of quality and the positive benefits of low cost, good service, and varied innovation? Yes. This is possible by replacing licensing with certification. What's the difference? With licensing, politicians and government officials are the decision makers about what is to be allowed or not. There is little or no real competition between providers.

With certification, the consumers, with advisors of their choosing, are the decision makers about health care. Providers must win consumers over by proving to them that their remedies are worthy.

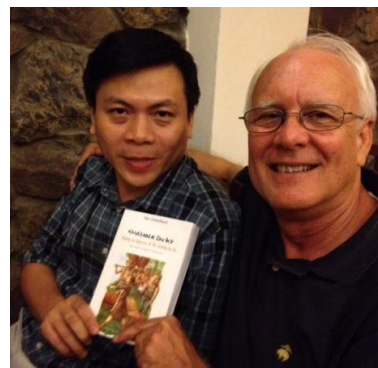
The implementation of a new government mandated health insurance scheme may shift the payment of bills from some people to others. But this will not solve problems arising from a lack of competition and choice in health care.

Some hospitals report that as much as 80% of patients check in with lifestyle related diseases: smoking, drinking, bad driving, diet, lack of exercise, etc. Removing the cost to patients will not result in healthier lifestyles.

Ken Schoolland (ken.schoolland@gmail.com) is an Associate Professor of Economics at Hawaii Pacific University, & President of the International Society for Individual Liberty (www.isil.org).

He is the author of *The Adventures of Jonathan Gullible: A Free Market Odyssey*, published in 46 languages (jonathangullible.com).

Ken & his wife, Li Zhao Schoolland, are currently in Vietnam lecturing, & promoting his book, now published in Vietnamese.





We invite you to join

The Libertarian Party

Believing in and understanding of the pledge is central to Libertarianism.
You may join by signing below:

"I certify that I oppose the initiation of force to achieve political or social goals."

Signature

Date

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\$25 per year**

Make check out to: **Libertarian National Committee**

Mail form & check to: 2600 Virginia Avenue, NW
Suite 200
Washington, DC 20037

Or click: www.lp.org/membership

Your dues includes: **The quarterly LPNews newspaper
The Monday email bulletin**

**Membership in the Libertarian Party of Hawaii:
\$20 per year**

Make check out to: **Libertarian Party of Hawaii**

Mail form & check to: 713 Ulumaika Street
Honolulu, HI 96816

Or click: www.LibertarianPartyofHawaii.org/membership

Your dues includes: **The monthly Libertarian Hawaii News**

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