Open Forum

Time to rethink our health reform strategy

By PETER SHAPIRO

It's been suggested that the outpouring of hostility to health care reform at congressional town hall meetings across the country is mainly a case of bigots, crazies, dupes and dittoheads claiming to speak for the rest of us.

The bigots and crazies are definitely there. I know, because I talked to some outside Rep. David Wu's recent town hall in Portland.

But I think we dismiss opponents of reform at our peril. The Wall Street meltdown, which took place nearly a year ago, has left a lot of people just plain scared. And the way Congress and the White House have handled the issue of health care reform has done little to relieve their fears.

Most of us would agree that nobody should be denied medical treatment because they can't afford it. All of us are appalled that every year 22,000 Americans die for lack of care, and that every week doctor bills land 17,000 more of us in the bankruptcy courts. Those of us with health insurance see 14,000 others losing theirs daily and think: "I could be next."

President Obama recently acknowledged that the easiest, cheapest, most efficient way to insure universal access to health care would be a single-payer system, where the federal government pays for our medical treatment the same way local governments pay for our police protection. But as Rep. Wu said quite bluntly in a recent letter to his constituents, there are powerful vested interests arrayed against the idea.

Rather than risking a head-on confrontation with them, Congress has embarked on a tortured attempt to ensure universal coverage within the framework of our existing private insurance system. The 1,017-page House version contains much that is good, but it raises real questions about what it will cost and who's going to pay for it.

To appease an insurance industry which is in danger of pricing itself out of the market, all of us will be required to purchase a health plan, the same way we're required to buy car insurance. For those who can't afford it, government subsidies are supposed to be available. For those who can't find an affordable private plan that meets their needs, or would prefer not to pony up to a for-profit insurer as the price of treatment, there's supposed to be a public option.

In his effort to enlist the cooperation of the vested interests that Rep. Wu referred to, President Obama has made one concession after another. Every one of these concessions has significantly raised the cost of the reform package. Scrapping the single-payer idea ensured that 30 percent of our health care dollars would continue to be wasted on needless administrative costs.

The White House recently agreed to leave intact a Bush-era policy of paying full market value for prescription drugs for Medicare, rather than negotiating lower prices. And Congress has been tinkering with the public option, trying to appease insurance industry fears that its lower costs will amount to "unfair competition."

Now, as a final straw, Obama has indicated a willingness to drop the public option altogether — thereby turning the entire reform package into a naked, tax-supported bailout of private insurance.

America's unique system of job-based health insurance is collapsing under the weight of skyrocketing costs and soaring unemployment. If employers no longer pick up the tab, who will? Either the government will do it with a single payer system, or the burden will be transferred onto the backs of working people, and an issue which ought to unite us all could become horribly divisive.

You can already see it happening at the town hall meetings. People who are hard-pressed to deal with their own insurance issues want to know how they can be expected to foot the bill for those without insurance. The uninsured wonder why those lucky enough to have coverage won't pay taxes to extend their good fortune to others. Meanwhile, the insurance industry, looking forward to a guaranteed market and taxpayer subsidies to complement its bloated premiums, trashes the public option and cries all the way to the bank.

This is not smart politics. Single payer advocates have been derided for being unrealistic in their demands, and urged to "be practical." I would respectfully suggest that the practical approach isn't working very well, and it's time to start demanding what we really want.

Single payer bills will be coming up before the Senate and the House after the summer recess. U.S. Sen. Jeff Merkley is already committed to voting for the Senate version. The rest of the Oregon congressional delegation should be urged to do the same.

If nothing else, a substantial congressional vote for single payer might help help salvage the public option. So far, we've allowed the insurance industry to take all the tricks.

(Editor's Note: Peter Shapiro is a member of Letter Carriers Branch 82.)

Bailed-out CEOs pocket millions, lay off hundreds of thousands

By JAMES PARKS
AFL-CIO

Executives of banks that were bailed out with taxpayer dollars have pulled down stock options that guarantee them mega-million-dollar windfalls for years to come.

Worse, they're using taxpayer money to line their own pockets while laying off workers. Since Jan. 1, 2008, the top 20 financial industry recipients of bailout aid have together laid off more than 160,000 employees. In 2008, the 20 CEOs at these firms each averaged $13.8 million in compensation, for a collective total of over $250 million.

According to a report by the Institute for Policy Studies (IPS), the top five executives at 10 of the top 20 banks that have accepted the most federal bailout dollars received a combined increase in the value of their stock options of nearly $90 million.

"America's executive pay bubble remains unpopped. And these outrageous rewards give executives an incentive to behave outrageously, putting the rest of us at risk," said Sarah Anderson, lead author of "America's Bailout Barons," part of IPS's Executive Excess series.

According to the report, the average compensation for the top five executives at the 20 banks averaged $32 million each from 2006 through 2008. It would take 1,000 years for 100 U.S. workers to make as much as these 100 executives made in three years.

These 20 CEOs averaged 85 times more pay than the regulators who direct the Securities and Exchange Commission (SEC) and the Federal Deposit Insurance Corporation (FDIC). These two agencies, many analysts agree, have largely lacked the experienced and committed staff they need to protect average Americans from financial industry recklessness.

One reason the regulatory agencies may lack experienced staff is that many of the best and brightest staffers leave to work for the financial companies where they can make more money.

"The lure of lucrative private-sector jobs doesn't just siphon off talent from public service. It also breeds corrosive and ever-present conflicts of interest: Why 'get tough' as a regulator on a firm that could be your future employer?," said report co-author Sam Pizzigati:

The IPS report backs up the findings of the AFL-CIO's 2009 Executive PayWatch site. The PayWatch data shows CEOs and other executives responsible for the financial crisis have pocketed millions of dollars from bonuses and golden parachutes. CEO perks alone grew in 2008 to an average of $336,248 — or nine times the median salary of a full-time worker.

Meanwhile, the economy tanked for working people while many companies were bailed out with more than $700 billion in taxpayer money, as well as low-interest loans and guarantees.

The federal government has done too little too late to seriously address the problem of executive pay. The IPS report praises the Patriot Corporations Act (HR 1874), sponsored by Rep. Jan Schakowsky (D-Ill.), which would extend tax breaks and procurement bidding preferences only to those companies that compensate their executive at no more than 100 times the income of their lowest-paid workers. In 2008, the IPS report shows, compensation for top executives averaged 319 times more than average U.S. worker pay.

"Unless we also address more fundamental questions about the overall size of executive pay, about the gap between the rewards that executives and workers are receiving, the executive pay bubble will most likely continue to inflate," said IPS Director John Cavanagh.

Or, as IPS Senior Scholar Chuck Collins aptly put it: "Public officials in Congress and the White House hold the pin that could pop the executive pay bubble. They have so far failed to use it."

WSLC coverage appreciated; one resolution overlooked

To The Editor:

I much appreciated your Aug. 21 article by Don McIntosh about the Washington State Labor Council convention. I thought it portrayed the boisterous spirit of the gathering, as well as the many serious issues discussed.

The story listed several significant resolutions that were passed. I would like to draw your attention to another one that was brought by my union, Washington Federation of State Employees (WFSE) Local 304. It was Resolution #9 (copy at *wslc.org*), which calls for a statewide week of action to protest cuts in public services and job losses. It also demands taxing the wealthy and corporate profits.

I encourage your readers to support these actions, and I hope the organizing for this effort will provide fodder for an inspiring article in your paper about the workers fighting back. If nothing else, it could provide discussion for an alternate system of supporting the critical state services.

Rodolfo Franco
President
WFSE Local 304
Seattle

Wyden a strong supporter of EFCA

To The Editor:

I enjoyed Verna Porter's Open Forum article in the Aug. 7 edition of the Northwest Labor Press, but wanted to send a clarification.

Verna wrote: "Senator Wyden seemed to accept the EFCA." In fact, he has done much more than that. Senator Wyden has been and continues to be a strong, vocal supporter of the Employee Free Choice Act, and has been a co-sponsor every year since its introduction.

As a longtime friend of labor, I wanted to make sure that you and all of your members understand Senator Wyden's continued and ongoing support of this important bill.

Barbara Smith Warner
Labor Liaison to
U.S. Sen. Ron Wyden
Portland

Why does labor back free-traders?

To The Editor:

In looking through the Labor Day issue of the NW Labor Press, I was left wondering how it is that Ted Kennedy, who voted for NAFTA, and Ron Wyden, who has been an unashamed free trader, are considered friends of labor like Peter DeFazio?

Today's labor movement reminds me of the family who had an elephant take up residence in their living room. Instead of acknowledging and dealing with it, they tried to ignore it and busy themselves with lesser things to get a feeling of accomplishment.

The fact is, it matters little how good a contract you were able to negotiate when they close the plant and move it overseas.

I hold this truth to be self evident: A free trading/job exporting Democrat is no damn better than his Republican "opponent." With friends like them, we don't need enemies!

Regarding government-run health care — can you name anything that the government has taken over and run successfully? The Carter Administration gave us the Department of Education. Result: within 25 years, U.S. graduating seniors ranked near the bottom among industrialized nations in math and science. It also gave us the Department of Energy, which was supposed to reduce our dependence on foreign oil. Boy, there's a success story!

So, adding yet another federal bureau of ?? with a monster budget is hard to get exited about.

Just food for thought.

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