happening in the world. There has, for example, been considerable interest in doctrines that many thought were superseded after communism conquered China. Democracy is outstanding among these doctrines that have acquired new meaning for Chinese students and intellectuals. "Democracy's Wall" became a symbol of the widespread concern and demand for democracy in the unadulterated Lincolnesque sense of the word. Perhaps the clearest statement of this outlook was expressed by the Portuguese Socialist leader, Mário Soares. Asked whether he favored "bourgeois" or "socialist" democracy, Soares replied: "There is democracy, period. It is of the people, for the people, and by the people, and it is not the dictatorship of the proletariat."

The students of the May 4th movement and the demonstrators at Heavenly Square and the creators of "Democracy's Wall" in China have just that view of democracy. In many ways it is the most revolutionary doctrine in the world today. It suffered a setback in China after the suppression of "Democracy's Wall," and again this past January when the Chinese students were barred from further demonstrations. It may be a long, long time before democracy in that sense prevails in China or in any communist country. But recent history suggests it remains the wave of the future. □

Notes

[1] John K. Fairbank, Edwin O. Reischauer, Albert M. Craig, *East Asia—Tradition and Transformation* (Boston: Houghton, Mifflin, 1978).

[2] Benjamin I. Schwartz, *Chinese Communism and the Rise of Mao* (Cambridge: Harvard University Press, 1951).

Vincente Navarro

The Unhealth of Our Medical Sector

The U.S. health care non-system is inhuman and inefficient. Among major Western industrialized nations only the U.S. and South Africa do not uphold the principle that health is a human right. The major political and medical establishments say we have neither the resources nor the popular will to make the commitment to health a human right. Both arguments are wrong.

The problem is clearly not lack of resources. What this argument ignores is that we already spend more on health care than any other nation on earth. Nearly 11 percent of our GNP is spent on health services, making the health sector the third largest economic activity in the nation.

In spite of these enormous expenditures, we still have problems with our health care system, problems unmatched by any other country in the West: wrong priorities, high costs, and poor health care. Some examples:

- From 1980 to 1985, more U.S. children died because of poverty, hunger, and malnutrition than the total number of American battle deaths in the Vietnam War.
- Today one child dies of poverty, hunger, and malnutrition on average every fifty minutes.
- A child from a black or white low-income family has only half the chance of surviving the first year of life as a child from a higher income family.
- A migrant farm worker is likely to live slightly more than one-half the number of years that a corporate executive lives.
- On average, a worker is killed or dies because of work-related conditions every five minutes.
- Three million families were refused medical care in 1985 because they could not pay for it.
- Thirty-eight million people do not have any form of health insurance coverage, public or private; 36 percent of them are children.
- Fifty-nine percent of poor and near-poor blacks and 63 percent of Hispanics were uninsured for all or part of the year in 1984.

• Twenty years after the establishment of Medicare (the insurance program for the elderly) senior citizens still have to pay on average 22 percent of their health care bills out of their own pockets.

These are but a few examples of an unacceptable reality. The political and medical establishments ignore this reality or put it aside as a problem of certain small sectors of the population. But the problems of high cost of health care and limited health coverage of the poor are the exacerbated forms of problems faced by the majority of the U.S. population. Health costs are the major cause of personal bankruptcy. These are not only minority problems—they are majority problems.

MOST OF THESE PROBLEMS ARE PREVENTABLE. Other countries offer more comprehensive and universal health care coverage and have better health indicators and more popular health services than ours, and cost much less than ours do. Great Britain, for example, with 5.6 percent of its GNP spent on health services, offers comprehensive and universal health coverage, with 85 percent of the British people pleased with their National Health Service. A somewhat similar situation exists in Canada. In the U.S., we spend almost double (10.8 percent of the GNP) what Great Britain does, but still 16 percent of our population doesn't have any form of health coverage and the majority of our citizens still pay directly for large amounts of their health bills. Not surprisingly, 72 percent of our population feel that the U.S. health care system needs profound changes. And 62 percent favor a national health program, even if the establishment of this program would call for higher taxes (which it would not).

Why This Situation?

THE ROOT OF THE PROBLEM IS THE PROFIT orientation of our health care system, the economic rationale that it sustains it, the entrenched interest groups that it reproduces, and the enormous waste that it generates. In 1983, the profit in some areas of the health sector was as follows: for the drug industry, $5.6 billion; for medical and equipment suppliers, $1.8 billion; for insurance and other financial institutions, $2.1 billion, and for health institutions (including hospitals), $2.8 billion.

But the problem is not only profits. It also includes the enormous apparatus needed to sustain those profits and the interest groups they benefit. In 1983, for example, $15.6 billion were spent on insurance overhead, $26.9 billion on hospital administration, $4.1 billion on nursing home administration, $31.1 billion on physicians' overhead, $2 billion on marketing, and $38.2 billion on excessive physicians' income.

A lot of profit and obscenely high salaries are being made from sick people. The greedy are indeed exploiting the needy. Much of these profits and expenditures is both unnecessary and harmful.

The interest groups that benefit from such greed and waste will oppose changes. And their political influence is enormous. The current Republican administration is crowded with individuals who worked for and were part of these interest groups. Starting from the top: President Reagan used to work for General Electric—a major hospital supplier—appearing in ads opposing Medicare, the program that has been responsible for a decline of 2 percent per year in the mortality rate among our senior citizens. Vice-President Bush used to be a director of Lilly, one of the largest and most profitable drug and medical equipment companies. It is not only the interest groups of the military-industrial complex that rule this federal administration, but the interests of the medical-industrial complex.

Under the Current Administration

THE HEALTH SITUATION HAS WORSENED DURING the Reagan administration. For instance:

• Infant mortality is no longer declining at the rate it had for the last twenty years. And the mortality rate of infants between 28 days and one year of age has increased.

• The gaps between black and white infant mortality rates and between low-income and high-income families are the largest since 1940.

• The number of people who do not have health coverage has increased from 1982 to 1984 by five million.

• The number of families who have been refused health care because they could not pay has increased from 1982 to 1985 by two million.

• The average out-of-pocket expenditures for the average American have increased.

• Federal health expenditures have suffered unprecedented cuts. For example, Medicare, which represents 7 percent of all federal health expenditures, has received 12 percent of all federal cuts. The percentage of federal expenditures going to the care of the elderly and disabled has declined from 7.6 to 7.1 percent while the percentage for defense has increased from 22 to 26 percent.

• Federal interventions have stimulated hospitals to discharge unprofitable cases. The National Opinion Research Center reports that 78 percent of admitting physicians report that they have received pressure from their hospitals to discharge patients.

• There has been further growth of investor-owned hospitals (the hospitals with the highest profits), stimulated by new forms of federal payment; 13 percent of all hospitals are now investor-owned. They provide care that is believed by a majority of physicians (including a quarter of those working for them) to be inferior to care by nonprofit hospitals.

• Profits for the hospital industry have increased: 81 percent of hospitals realized profits in 1985, with an average profit margin of 14.12 percent, a margin several times higher than the 3.3 percent after tax margins reported by *Business Week* for the services industry as a whole.

Principles of a National Health Program

THE SOLUTION IS TO REVERSE the current situation that favors the greedy few over the many needy. This reversal has to be based on a popular mobilization stimulated by calls not only to compassion but also to solidarity and concern for social justice. The solution has to be rooted in a substantial change in national priorities, with a large shift of resources from the military to the health sector. As Reverend Martin Luther King, Jr. said once, "A nation that continues year after year to spend more money on military defense than on programs of social benefit is approaching spiritual death." We need to reverse this trend. While Reagan plans to build 17,000 new nuclear weapons over this decade at an estimated cost of $71 billion, his budget only allows for a single month's stockpile of vaccination serum. Meanwhile half of all black preschool children are not immunized against diphtheria, whooping cough, tetanus, and polio! We need to establish a national health program.

(1) A national health program should be based on general revenues coming from income taxes rather than fees, premiums, and payroll taxes. The reason: fairness and solidarity. The current system relies heavily on payroll taxes, fees, premiums, and direct payments—all highly regressive. Moreover, when health benefits are paid by payroll funds, the size of those benefits may hinder the competitiveness of U.S. industry. Six hundred dollars for each car in Detroit is traceable to negotiated health benefits. In other countries, health is a right that does not need to be bargained for and is provided by the government. The system of payment based on general revenue dollars allows for better public accountability and the transfer of funds within the federal budget.

(2) The policy priorities should be established at the level of the federal government with the states exercising a planning authority (under federal guidelines) and the local government exercising an administrative authority (also under federal guidelines).

(3) The health institutions (e.g., hospitals and nursing homes) that are funded primarily through tax funds should be governed by boards of trustees that are publicly accountable, and representative of the communities they serve. Fifty-one percent of hospital funds and 83 percent of nursing home funds are already tax funds, but the boards of trustees—the top authority in each institution—are highly unrepresentative of the population they serve. There is a perverse quota system in which the trustees come only from the top 5 percent (in income) of our population.

(4) A major change is needed in the orientation of the health system with priorities shifted to give greater emphasis to preventive, community, environmental, and occupational and social care. This shifting of priorities will require a combination of government interventions with popular participation in which the populations affected by the health programs should play a major role in their governance. Just one example: occupational medicine. This branch of medicine is primarily controlled by management rather than labor. Most occupational doctors are paid by management, and their work shows it. We need to give a major voice to the workers and their unions in the governance of their occupational health services. Workers pay far more attention to their health and safety than bosses do.

THE MAJOR POLITICAL AND MEDICAL ESTABLISHMENTS oppose a national health program on the grounds that it goes against the current political mood in the country. Many liberals have abandoned their commitment to a national health program because of what is presented as an antigovernment mood in the country. Because of this reading of the popular mood the Democratic Party Platform in 1984

abandoned the party's commitment to a national health program. This is reprehensible. A basic and principled commitment cannot be abandoned because of political expediency.

The reasons for supporting a national health program are fairly straightforward: (1) it is the moral and principled thing to do—the U.S. has to join the rest of the civilized nations and recognize that health is a human right; (2) it makes sense; and (3) people want it. As simple as that. □

Marc Baldwin

Disastrous Job Losses in Michigan

DETROIT

It was expected that General Motors would announce plant closings. But when the announcement came last November, the scale was astounding: 29,000 workers in 11 plants laid off. Almost two-thirds of the affected unionized workers (17,450) live in Michigan. As many as 87,000 Michigan jobs could be lost when the ripples spread through the state economy.

Three Michigan cities bear most of the burden:

- Flint: 3,230 unemployed auto workers by the end of 1987
  3,450 truck and bus workers by August 1987
- Pontiac: 1,270 auto workers by the end of 1987
  2,200 truck and bus workers, August 1988
- Detroit: 6,600 auto workers by the end of 1987
  700 at Conner Stamping by 1990

Other closings and layoffs have been announced. For Flint, the bad news follows the indefinite layoff of 1,300 workers earlier in the year at the Buick City plant. The Buick City plant had opened just one year before, having cost $350 million to build. And in December, further indefinite layoffs were announced in three of GM's most modern assembly plants, two in Michigan, affecting a total of 4,500 workers. The Michigan plants are in Detroit (2,500) and Orion Township (1,000 workers). Other Michigan cities have also been affected. In August, the Saginaw Nodular Iron Plant, a GM subsidiary, was given up after a failed employee ownership bid; 1,700 jobs were lost.

Of the affected cities, Flint is the most dependent on the auto industry. General Motors employs more than 50,000 workers in Flint, more than one-third of the city's total population. As a result of the closings, Flint stands to lose $1.5 million a year in income tax and $2.4 million a year in property taxes. The closings will directly affect 16.1 percent of the city's work force.

In Pontiac, the mayor's office estimates that the GM closings will cost between $600,000 and $800,000 in lost income tax revenue. This is in addition to the previously announced closing of a GM foundry. Twelve percent of total city employment will be lost.

In Detroit, a reduction in business activity of between 1.5 and 2 percent over the next three years is anticipated. Wage losses of almost $200 million are possible. Lost property taxes could amount to $1.02 million a year; 2.3 percent of city employment will be lost. In all estimates, the full impact, including on suppliers, could be considerably greater.

ALTHOUGH THE UAW HAS NEGOTIATED an array of protections for laid-off workers, many of the directly affected workers will never recover their buying power. A Bureau of Labor Statistics study on workers who lost their jobs between 1979 and 1984 found that workers displaced from the auto industry who found new jobs suffered an average loss in gross weekly earnings of 25 percent. A UAW study of displaced auto workers found that along with lower wages, of those who were reemployed, 65 percent are in nonunion jobs and only 63 percent of those in new jobs were receiving health insurance.

The same day that *Ward's Automotive News* reported the GM closings, it was announced that GM would open two parts plants in joint ventures with Daewoo near Taegu, South Korea. Workers' rights were severely limited under martial law in