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**THE NATION'S PULSE**

## Government in Vermont

By ***James M. Thunder*** on 4.29.11 @ 6:07AM

On Wednesday, April 27, new Vermont Governor Peter Shumlin, a Democrat, was interviewed on a national radio program about a bill on healthcare that the Governor will soon sign. (Let me add that he testified on April 14 at a hearing on State and Municipal Debt held by the House Committee on Oversight and Government Reform in which he appeared on a panel with Wisconsin Governor Scott Walker.)

For my present purposes, the content and the particulars of the Vermont healthcare bill is irrelevant. What is relevant are the three goals that the Governor said he and the legislature expect to achieve with this bill. Two of the three are at odds with the philosophy of American government, but not with the philosophy of government held by Democrats. This is what he said about the goals:

... we're trying to do three things. The first is [to] have the first health care system in the country where health care is a right and not a privilege. The second is to ensure that we have a system where health insurance follows the individual and isn't required by the employer...

And the third part -- perhaps the most important -- is to contain cost, to design a cost containment system where we're spending our health care dollars not on insurance company profits, not on waste, not on [in]efficiency in what I call the non-system, but on delivering health care to Vermonters.

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Our big challenge... is getting the waste in the system, the profit, the folks who are making money off our misery out of the system, and spending our health care dollars, making Vermonters better.

Let's take each of these goals in turn.

### **Right, Not a Privilege**

It used to be that, when Americans spoke of rights held by the people, it was a right to act, or say, without interference from the government. As our Declaration of Independence proclaims, these rights come not from the government, but from the hand of God. And they are inalienable, that is, they can neither be taken nor given away.

But when Governor Shumlin speaks of healthcare as a right he is not speaking of preventing the government from creating any government-created obstacle between the people's ability to access and pay for healthcare. Rather, he is speaking of the people's rights to obtain goods and services from the hand of the government. Of course, the government does not possess any goods and services except through its ability to tax individuals (or associations of individuals, such as businesses) to pay for them or its ability to commandeer (that is, mandate) them.

If we should dare to grant such a right, upon what principled basis is government limited in establishing such rights? Might such rights extend to food, shelter, jobs, job training, education, energy, personal computers, some of which used to fall under what the law called "necessaries"?

### **Following the Individual, Not Employer**

On the merits of this aspect of the bill, in principle there is much to commend a system where an individual is not reliant on his or her employer for health insurance. Government officials, however, should address such a change with humility since it was the government which, trying to do good, created this dependency at the end of World War II. I would note an analogous situation. Many advocate providing subsidies for nontraditional energy sources (geothermal, wind, solar, wave). For how long? They do not appreciate the irony in seeking these subsidies while seeking to revoke the hundred-year-old subsidies for the petroleum industry.

In any event, this goal of Governor Shumlin and the Vermont legislature is consistent with the philosophy of American government

since it seeks to eliminate an obstacle to individual freedom created by the government.

### **Eliminating Waste; Removing Profit Obtained from Others' Misery**

First, it is simply not true that substituting government for private sector eliminates waste. The government has its own fraud, waste, and abuse. In the same radio program, Michael Cannon, Director of Health Policy Studies at the Cato Institute, stated that Medicare's waste, fraud and abuse amounts to \$48 billion per year, four times the combined profit of private health insurance companies.

Second, if the Governor and the Vermont legislature want to remove profit obtained from others' misery, clearly doctors' and hospitals' and laboratories' and medical device manufacturers' and pharmaceutical companies' income must be included.

But why stop at the system of the delivery of healthcare goods and services? Consider the people who profit off of other people's hunger and daily need for food lest they starve: farmers and fishermen, silo cooperatives, canneries, food manufacturers, grocery stores. So much inefficiency! So much waste! So much profit! Surely our government can do it better. It is unlawful for our citizens to steal food from the grocery shelves. But our citizens can get around that by having our government take it and give it to them.

The philosophy of American government may be able to justify the particulars of the Vermont bill on healthcare -- I would need to study the particulars -- but Governor Shumlin's philosophy of government does not qualify.

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