

COMMONWEAL

Jeanne Berg



## The Brave New World of Public Policy

by Richard D. Lamm

John Stuart Mill woke up one morning and had this overwhelming feeling that the "answer to the question of the ages" had come to him in the middle of the night. But he forgot what it was. He then placed a quill and paper next to his bed, and a few mornings later he awoke with a similar feeling; this time he found on the paper in his own handwriting, "Think in different terms."

We are sailing into a new world of public policy, a world as strange and new as the one Columbus discovered. It is a world where infinite government demands have run straight into finite resources. Most of our institutional memories and political culture come out of the 1960's and 1970's, when America had the industrial world's highest rate of productivity growth and was doubling its wealth every 30 to 40 years. Government had a substantial yearly growth dividend it could spend. Now we have the lowest rate of productivity growth in the industrial world, and it will take approximately 130 years to double our national wealth. We go into debt to maintain current levels of gov-

ernment. Being in government today is like sleeping with a blanket that is too short: we do not have the resources to cover all our needs.

It is my belief that the old world of public policy is dying and a new world of public policy is being born. The essence of this new world is that the economy of the 1990's cannot support the dreams of the 1960's. Public policy cannot count on historic levels of revenue growth and thus cannot chase geometric curves of public spending. I suggest that this world of ever growing public needs and shrinking resources will require us to reconceptualize much of *what* government does and *how* it does it. It will cause us to define what is absolutely fundamental in many of our basic institutions.

This is not a matter of conservative or liberal. It is not a matter of "won't." It is a matter of "can't." It is not a philosophic difference between parties, but a resource limitation imposed by an economy increasingly under international attack and not growing fast enough to sustain programs already undertaken, let alone new needs. Nor can they be met by reallocating existing resources. This is not another argument against "waste in government." Waste cannot be justified, but it will not yield that much new money. We are going to have to decide what is fundamental and what is superfluous. It is not a matter of the heart. It is a matter of the wallet.

Spending on the elderly is one area where considerable funds could be refocused. The elderly are 12 percent of America and receive 57 percent of all federal entitlements. "Retirees" get 65 percent of all federal entitlements, even though studies show that they have the highest amount of discretionary income. America still thinks of the elderly as poor, but as a class they are doing quite well. A child in America is still seven times more likely to be poor than someone 65.

Ken Dychtwald states that between 500,000 and 600,000 millionaires get a Social Security check every month,

and that half the millionaires in the country are over 65. Our society *does* have the option of transferring money now going to the rich elderly to poor kids. It could be done through taxing all Social Security and Medicare benefits or even by means testing Social Security. Social Security and Medicare are tremendous transfer payments from a younger to an older generation. Contrary to public myth, people are not "getting their money back" in these programs. The average person retiring today receives back five times more than he and his employer paid into the system (plus interest). The accrual benefits of Medicare are often 20 to 25 times what a retiree has contributed. This is appropriate for many of the elderly, but questionable for those elderly who have considerable resources. Medicare and Medicaid have averaged 19 percent growth a year since their inceptions, and clearly we cannot continue to fund them at such rates.

Public policy today amends Medicare to give heart transplants to the elderly, but 600,000 American women gave birth last year with either little or no prenatal care. That is not a correct distribution of limited resources. We have the highest life expectancy (80) of any country in the world, but we are 20th in infant mortality. That is not fair. Poverty in America wears diapers, not a hearing aid.

We cannot be indiscriminately generous, and therefore we need to develop a sense of "compassionate austerity" where we honor compassionate goals but, perhaps, change the means whereby we accomplish them. Take transportation of the handicapped. The handicapped advocacy groups push for a "barrier free society" and demand a wheelchair lift on every bus in America. Studies show, however, that government can transport three times as many handicapped by vans for a fraction of what it costs to put a wheelchair lift on every bus. The future will have enough money to meet compassionate ends, but we must be

tougher on how we meet those ends. It doesn't make sense to put a wheelchair lift on every bus in America when we can meet the needs of the handicapped by a much cheaper alternative. We can't afford to govern by slogan.

America has spent too much in some areas and not enough in others. How much money has gone to build new hospitals or new hospital wings? Experts tell us that there are too many hospital beds in America—the estimates run from 200,000 to 400,000 excess beds. Fifty percent of the hospital beds in my state of Colorado are empty. Our roads are deteriorating, our teachers are underpaid, we have over 500,000 medically indigent—but 50 percent of the hospital beds are empty. The Rand Corporation found—albeit before DRG's—that 25 percent of the people in a hospital bed didn't need to be there. They were there for the convenience of their doctor or insurance policy.

Look at the number of health care dollars spent in the area of death and dying. We spend \$50 billion a year on people in the last six months of their lives, while we are not giving pregnant women prenatal care and not vaccinating our children. We are simply not rich enough as a society for each one of us to take \$100,000 or \$200,000 of our kids' limited resources as we are on our way out the door. We talk about the "right to die" as if we have a right to refuse. My research in this area has discovered the amazing fact that worldwide the death rate is one per person. We must recognize that often the best thing to do in many instances is to do nothing. We must recognize that many of the machines and procedures we have invented don't cure but merely prolong dying. Too often our legal system and medical education force us to use these machines, and "can do" has become "must do," even if it means using resources that could buy far more health elsewhere in the system.

The essence of the dilemma of health care, however, is that we have invented more health care than we as a society can afford. No matter how "efficient" we get, no matter if we adopt the Canadian or the English national health system, we will soon find that infinite medical needs have run into finite resources. Capital is the

stored flexibility we have to build a better world for our kids. We only have it once, and if we spend it on redundant wheelchair lifts and empty hospital beds—instead of robots and new factories and new teaching techniques—we cheat our children.

This will require hard choices. In some places they are being made. In 1986, the Oregon Legislature decided to stop funding transplants (except kidneys) and transfer the money, instead, to maternal and child health. They decided that basic health care for many would buy more health for Oregon than high-priced, high technology medicine for a few.

Misuse of our country's energies and resources is rampant in many areas of our society. Look at our legal system. Look at the amount of money spent on a number of colleges and universities that are simply not necessary to meet our educational needs.

We must painfully but inevitably think through the *meaning* and limits of compassion. Do we give a coronary bypass operation to an eighty-five-year-old with dementia? How many heart valves does the public buy for a drug abuser? How much can we afford to subsidize self-abusive behavior? Two-thirds of all the deaths before age 65 are the result of bad habits or self-abuse. We are going to have to find yardsticks to compare hip replacements with senior citizen centers. Do we give chemotherapy to an eighty-five-year-old with metastatic cancer and a 5 percent survival rate? I don't know the answers to these questions, but I do know that they have to be asked.

A just society can no longer be created by merely spending new money. There is some new money, but not much and that is heavily mortgaged. The challenge of this Brave New World of public policy is to reexamine some of our historic assumptions, to reallocate some of our existing resources to meet new needs, and to fund our new inadequacies out of our old excesses.

What is ultimately at stake here is not merely our standard of living, but our entire economic and political system. No nation is great forever. Nations rise and nations fall. Sometimes it is necessary to call on citizens to discipline themselves, to sacrifice, to take less, to stop thinking only of rights and

privileges and to start thinking of duties and responsibilities. No nation can forever distribute the spoils of a wealthy continent and past glory. At some point in every nation's history it becomes reality time. That time is now. To do that, we must start to "think in different terms."

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## POP CULTURE

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## Mother Knows Best

by Bruce Frohnen

Man may be dying out, but patriarchy—men's oppression of women—lives on. If only we were more controlled by women, or at least by the feminine aspect of our natures, life would be much better: kinder, gentler, and more "caring." It is patriarchy, after all, that makes America so aggressive; it is patriarchy that makes American women so miserable; it is patriarchy that makes American men so disgustingly (dare I say it?) male.

One of the primary battlegrounds in the war against "patriarchy" is children's literature. As "Feminists on Children's Media" comment in the introduction to a guide to "nonsexist books about girls for young readers" entitled *Little Miss Muffet Fights Back*: "the rigid sex roles depicted in most children's books—active and independent male characters, passive and dependent feminine