



Written by [Ralph R. Reiland](#) on March 1, 2010

## U.S. Collectivism's Record of Failure. And Now healthcare?

The hype is always better than the real thing. Boston's Big Dig sounded like a half-decent project in the beginning. Approved in 1982 with a price tag \$2.6 billion, it was completed, however, more or less, in 2005 at a price of \$22 billion.

"More or less" because concrete panels loosened and crashed from the ceiling of a connector tunnel in 2006, the first full year of operation, killing 38-year-old car passenger Milena Del Valle, a mother of three. The family was awarded \$28 million.

Medicare, similarly, was optimistically projected in 1967 to have an annual price tag of \$12 billion by 1990. The actual 1990 cost? \$98 billion.

Just the parking lot at the Kennedy Center (not the center itself or its whole shebang of theaters, lounges, offices, restaurants, etc.) had a cost estimate in 1998 of \$28 million, reports *Reason* magazine in its March 2010 issue. The actual cost of the parking lot, completed in 2003? \$88 million.

These estimates and actual costs aren't even close, with final prices running eight and ten times off. But it works, just like fishing — camouflage the hooks with the right feathers and bangles and a striped bass thinks he's at the Ole Minnie Buffet.

Now we're getting the biggest hype yet, the idea that Obama and his various czarinas and central planners have the expertise to re-work a sixth of the U.S. economy so that we'll somehow end up with universal health coverage, 30 million more people insured, and all done in a way that produces lower costs and higher quality while not adding a dime to the federal deficit.

It's like everyone gets a shiny new Mercedes and somehow, simultaneously, the sticker price goes down, the quality goes up, and there's no red ink.

Plus they're saying that billions can be cut from Medicare without cutting anything that seniors are getting from Medicare.

I get the feeling that we haven't learned much from our previous grand experiments. The list of failures is long.

During World War II, Franklin D. Roosevelt distorted the free market by implementing wage and price controls in order to prevent "profiteering" and fight inflation. Employers, in order to attract labor, switched from giving raises to providing health insurance.

Today, we're paying a high price in the global arena for that government-created market distortion that produced the ongoing employer-based health system that consistently harms the ability of U.S. firms to compete against companies from countries that spread the costs of healthcare more broadly.

General Motors reports that healthcare costs add between \$1,500 and \$2,000 to the sticker price of





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every vehicle it makes. Bottom line, America's employer-based healthcare is selling Hondas and killing Detroit.

On January 8, 1964, President Lyndon Johnson delivered his first State of the Union address, calling for an "all-out war on human poverty," with special focus on black poverty and inner city revitalization. The following year, Sen. Daniel Moynihan sounded the alarm about the breakdown of the black family in his book *The Negro Family: The Case for National Action*. At the time, 1965, the black illegitimacy rate was 26 percent.

Today, \$10 trillion later in federal spending on anti-poverty programs, the illegitimacy rate among blacks is 70 percent.

Most recently, seeking universal and equitable housing, the Carter and Clinton administrations passed legislation, with well-intended consequences, of course, that forced banks to make loans in lower income areas and to unqualified borrowers. The result was a massive expansion of high-risk subprime loans, a real estate bubble, a worldwide distribution of toxic assets, and the subsequent housing crash, financial panic, and bank collapses.

And now, next up on the politicians' fix-it list — healthcare. Just say No.

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