

## Eye on Washington by Nick Benton

### The IMF's new friend

One wise old patriot expressed due caution about Rep. Jack Kemp (R-Buffalo) recently. "I never trust a man with a hairdo prettier than my wife's," he said.

Kemp proved worthy of such distrust, when he bowed to pressure from James Baker III the third week in May to back a plan for \$237 million in supplemental funding for the World Bank and other "multilateral development banks" (MDBs). Guarding his carefully coiffed "New Right" conservative image for his 1988 presidential bid, Kemp had blocked the additional funds until that week.

But, according to a Washington report, when Treasury Secretary James Baker III testified in favor of the supplemental funds before the House Foreign Affairs Subcommittee, he was told by Rep. Dave Obey (D-Wis.) that the measure would not pass without total Republican support. Therefore, Baker chose to gently persuade Kemp to override residual opposition among some Democratic congressmen, to advance the cause of the International Monetary Fund (IMF)-World Bank global economic dictatorship.

This is only the latest in the shocking sequence of events that have occurred in this town since the mid-April meeting of the IMF Interim Committee, when plans were mapped out to extend IMF powers over the U.S. economy. These plans will be articulated in a special report currently under preparation by a committee of the Group of 10 of the IMF that will be ready by mid-June.

Robert Morris, deputy undersecretary of state, told me that the report will advocate "much more meaningful" IMF surveillance over the U.S. economy—"not only," in his words, "in terms of policy matters, but also performance." Low inflation rates and lowered growth rates are the IMF's two principal targets.

### Health care on the chopping block

This IMF dictatorship—which Kemp has now capitulated to—is the context in which Congress is going wild in its frenzy to lay waste to the defense budget, the quality of the nation's health care, and other vital programs in the name of "cutting the federal deficit."

In the case of health care, in addition to another \$4 billion in cuts in the Medicare and Medicaid programs, the FY 1986 budget proposed by the administration advocates taxing anything over \$70 per month received in private health care insurance by an employee from his company!

In response, a spate of bills has been introduced into Congress to enable systematic chiseling of employee health care benefits, to keep costs within the \$70 per month parameter. Bills introduced by Gephardt (D-Mo.), Dannemeyer (R-Calif.), Specter (R-Pa.), and Wyden (D-Ore.) are designed to contain costs for private health care plans.

This frenzy to slash quality health care brought two contrasting views into town the week of May 20.

One, an expensive public relations job by the Kaiser Family Foundation, was a press conference to unveil the results of a Louis Harris poll, designed to prove that the public approves of the idea of cost-cutting "health maintenance organizations" (HMOs), as a

substitute for traditional medical treatment methods.

HMOs are "subscription" health services, where an individual pays a fixed monthly rate. The HMO remains solvent only if it is able to treat patients, on the average, for less than the fixed monthly income, and, under conditions of strong competition, HMOs are faced with strong "incentives" to cut corners on quality of care.

Humphrey Taylor, president of Louis Harris and Associates, made the case for the poll's alleged results—designed to help congressmen sell the treacherous budget cutbacks back home.

However, under tough questioning from the *EIR*, the pollster conceded that over two-thirds of the physicians surveyed asserted that HMOs "lower the quality of care to an unacceptable level . . . by performing fewer lab and diagnostic tests than may be necessary, employ less qualified doctors and do not allow for adequate doctor-patient relationships."

Taylor, however, insisted that this was just sour grapes by those doctors—citing a Rand Corporation study showing that the 20-25% savings enjoyed by HMOs over traditional health-care methods come mainly from keeping patients fewer days in the hospital.

So much for such "cost containment" schemes. Candice Owley, head of the National Federation of Nurses and Health Professionals meeting in Washington the third week in May, said that early removal of patients from hospitals on "cost grounds has resulted in a new mass home care "industry," as patients are forced to turn their own bedrooms into hospitals, and hire their own medical help. Owley said lack of adequate training and regulation is going to lead to abuses in this area, that will make nursing-home abuse horror stories seem child's play.