

Rep. Ron Paul, MD

Medicare prescription drug bill - Republican Socialism

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The Senate voted 54-44 Tuesday to approve the \$395-billion Medicare prescription drug bill

Republican Socialism

<http://www.lewrockwell.com/paul/paul143.html>

by Rep. Ron Paul, MD <http://www.house.gov/paul/mail/welcome.htm>

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Congress worked late into the night this past weekend to pass a Medicare prescription drug bill that represents the single largest expansion of the federal welfare state since the Great Society programs of the 1960s. The new Medicare drug plan enriches pharmaceutical companies, fleeces taxpayers, and forces millions of older Americans to accept inferior drug coverage while doing nothing to address the real reasons prescription drugs cost so much.

Nothing from the government is free, of course, and prescription drugs will be no exception. The perception that seniors will be able to flash a Medicare card at the pharmacy and walk out without paying anything is completely false. In fact, many seniors will end up paying more out-of-pocket under the Medicare scheme than they do now with their private plans. The Medicare drug benefit requires monthly premiums, co-pays, and deductibles, just as private plans do. It also has gaps in coverage that no sensible person would accept if offered by a private insurer. Like all government programs, the Medicare drug entitlement will be shabby, degrading, and inferior to the private sector.

The vast majority of older Americans already have private prescription drug coverage that they don't want changed, and this 78% of seniors may well lose their good private coverage altogether. In fact, the government's own Congressional Budget Office estimates that at least one-third of all private companies will dump their retirees into the Medicare system as a result of the new bill. Big corporations love the Medicare drug plan, because they want to shift the responsibility for providing drug benefits to their retirees onto taxpayers. Dozens of major companies shamelessly advertised in the Washington Times and elsewhere in support of the Medicare bill for this very simple reason. Their pension plans are dangerously underfunded, so naturally they use their lobbying influence to promote a Medicare drug system. In this sense the Medicare bill is a taxpayer-funded corporate bailout for hundreds of American companies.

The financial impact of this legislation on taxpayers cannot be overstated.

Government projections that the drug program will cost \$400 billion over the next decade cannot be trusted, as existing Medicare programs cost 4 times more than estimated when they were created. The likely cost is at least \$1 trillion over 10 years, and much more in following decades as the American population grows older. The Medicare “trust fund” is already badly in the red, and the only solution will be a dramatic increase in payroll taxes for younger workers. The National Taxpayers Union reports that Medicare will consume nearly 40% of the nation’s GDP after several decades because of the new drug benefit. That’s not 40% of federal revenues, or 40% of federal spending, but rather 40 % of the nation’s entire private-sector output! Clearly this new Medicare spending will bury our great-grandchildren unless we rethink the wisdom of ever-increasing entitlement programs.

Phony senior lobbies want free drugs paid for by taxpayers; American corporations want to dump their retirees into Medicare at the expense of taxpayers; pharmaceutical companies want huge windfalls provided by taxpayers; and politicians want to get reelected by passing incredibly shortsighted legislation courtesy of taxpayers. Most of today’s politicians will never have to answer to future generations saddled with huge federal deficits because of this expansion of Medicare. Those generations are the real victims, as they cannot object to the debts being incurred today in their names.

Dr. Ron Paul is a Republican member of Congress from Texas.

Ron Paul Archives

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Senate sends Medicare bill to president

United Press International - 45 minutes ago

WASHINGTON, Nov. 25 (UPI) -- The Senate voted 54-44 Tuesday to approve the \$395-billion Medicare prescription drug bill and sent it to President Bush, who has said he is eager to sign it into law.

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Engineering Opinion

It is ... necessary to whip up the population in support of foreign adventures.

Usually the population is pacifist, just like they were during the First World War. The public sees no reason to get involved in foreign adventures, killing, and torture. So you have to whip them up. And to whip them up you have to frighten them... The Reagan programs were overwhelmingly unpopular. Voters in the 1984 "Reagan landslide," by about three to two, hoped that his policies would not be enacted. If you take particular programs, like armaments, cutting back on social spending, etc., almost every one of them was overwhelmingly opposed by the public. But as long as people are marginalized and distracted and have no way to organize or articulate their sentiments, or even know that others have these sentiments, people who said that they prefer social spending to military spending, who gave that answer on polls, as people overwhelmingly did, assumed that they were the only people with that crazy idea in their heads. They never heard it from anywhere else. Nobody's supposed to think that. Therefore, if you do think it and you answer it in a poll, you just assume that you're sort of weird. Since there's no way to get together with other people who share or reinforce that view and help you articulate it, you feel like an oddity, an oddball. So you just stay on the side and you don't pay any attention to what's going on. You look at something else, like the Superbowl.

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