Socialism, Medicare, and the Yoke of European Dictatorship

Brian Dolan, PhD
Q: “We use this term loosely, but are we turning into the U.S.S.A.?”
A: “It sounds like hyperbole, but ABSOLUTELY.”

- Fox News, “Trading Pit”

Figs 1 & 2: Commentary on Obamacare on a blog “Norwegian Shooter”
"It is a purely self-interested falsification of the bourgeois to see every interference of the state with free competition as 'socialism.' We should criticize that, not believe in it. ... So choices will be imposed by state authorities instead of by factory foremen. What a beautiful socialism! That is where one comes out if one believes in the bourgeois who pretends, but does not really think, the state is equal to socialism."

- Letter from Friedrich Engels to Eduard Bernstein, 1881

PART ONE

This is an anniversary year. Fifty years ago, in July 1966, the Medicare and Medicaid programs were enacted, a year after the bill passed through Congress. But it is not so much for this reason that American healthcare is presently in the news. 2016 is a presidential election year in the United States, and among both Democrats and Republicans healthcare features in the debates. On the one hand, Democratic candidates see administrative weaknesses and limitations to the Affordable Care Act that was passed in 2009 under President Obama’s administration. On the other hand, Republican candidates campaign on repealing the entire Act, reigniting the debate about the government’s role in providing healthcare. Looming over these debates is not only a concern about the economics of healthcare. Those for and against national health insurance are characterized by political ideology. What is interesting, though, is that in our predominate two-party system, Republicans who condemn national healthcare are not attacking a democratic ideology. Rather they characterize it as something much more unsettling: socialism.

One presidential hopeful, Senator Bernie Sanders, an Independent running under the banner of the Democrats, re-defined himself during the course of the debates on social reform with a provocative declaration: he called himself a Democratic Socialist.

In some sense, associating himself with socialism should not have been very surprising since he long ago stated his position. Here he is during a televised interview in 1989:

I am a socialist. There are, in our country, probably a dozen different socialist parties. None of them have terribly much influence. I happen not to be a member of any; my goal is to see that we start a third party in this country which represents, as I indicated before, a wide spectrum of people.

It’s one thing for an Independent Senator from Vermont to identify as a socialist; saying it a quarter
century later as a potential presidential candidate is another. It begged the question offered by George Stephanopoulos on ABC news: “Is it really possible for someone who calls himself a socialist to be elected president of the United States?” Bernie’s answer: “So long as we understand what Democratic Socialism is.”

In fact, it was the act of defining the term that would get Sanders into political trouble. Here is one way he defined it on the campaign trail:

When I talk about Democratic Socialism, I am talking about Medicare. A single-payer healthcare system for the elderly. And in my view we should expand that concept to all people. I believe that everybody in this country should be entitled to healthcare as a right, and the most effective way to do it is through a Medicare-for-all single-payer program. Because Sanders defined his allegiance to socialism in terms of social reform, including extended healthcare provision, he put himself in front of a historic attack against the government’s role in healthcare that explicitly linked it to the evils of socialism. His open admission stands against the wind of Republican criticism, or fear-mongering, about the invasion of socialist ideology that was so prevalent during debates over the Affordable Care Act. Comments by Representative Michele Bachmann,
conservative commentator Glenn Beck, or former House Speaker Newt Gingrich, are examples.6

The perceived threat, of course, is not that someone calls himself a socialist. It’s when someone has the power, like a president, to allow or encourage socialism to grow.

Liberal commentators are bemused by such affronts to Obamacare, in large part because the allegations substitute concern over the welfare of uninsured Americans facing staggering medical bills with an anxiety over the effects that an evil political ideology would have on America. They are bemused because the attacks mischaracterize socialism, tagging it to government control and loss of freedom.

But what, altogether, is condemned when socialism is condemned? Liberal talk-show host Lawrence O’Donnell examined the conservative response to Obamacare and put this statement to them: “Here is my message to all right wing conspiracy theorists: If you think socialism is bad, then you’re against Medicare.”7

O’Donnell’s accusation is indubitable. Yes, they, and most republicans for over half a century, have been against Medicare, or the antecedent principals of national healthcare insurance. In fact, there is nothing new about the warning that this puts us on the road to socialism.

And yet curiously in the early 20th-century, the idea that healthcare should be provided to those most in need was based on the very premise that socialized medicine was a good idea. What is surprising is that those who would rank among the strongest opponents of national health insurance were early proponents of socialized medicine.

Consider statements made by Dr. Otto Geier, Chairman of the Preventive Medicine Section of the American Medical Association. In a New York Times article written in 1917, just months after the US joined allies to fight in World War I, he proposed establishing “adequate public health machinery by reorganizing Federal, State, and municipal health work. … This type of socialized medicine,” he concluded, “will be intensively preventive. It will
World At War Is Facing a Shortage of Doctors

So Many Men Are Drafted for the Trenches That People at Home Must Systematize Prevention of Disease, Says Dr. Geier

It is nothing to have from 10,000 to 15,000 soldiers in the country from twenty-four hours. You have nothing to do but to have your minds ready to leave them where they lie.” —Columnist, T. H. Goodwin, Royal Army Medical Corps, speaking of the draft of American physicians in this city last week.

The news of the draft given by the English doctors to his question was grudgingly induced by Colonel Goodwin.

"We are not sure yet," he said. "We haven’t got them. That’s what it comes to."

But the appalling horror that the war has brought among the doctors is not only felt by the army; the civilian population at home is also suffering from a lack of medical attention.

The outbreak of an epidemic—anything like the influenza—which swept over the majority of the United States last fall, has been made a political and social problem by the scientists.

"It is an indication of the thing that is going to be made of the medical profession when our soldiers are actually sent into the field," it is evident that the medical resources of our country will be drafted just as have been the medical resources of England.

"In sitting up the problem before us, it must be considered that this depletion of our medical forces comes at a time when, because of the fact that the draft of national man-power is in progress, it will be particularly necessary to work for the conservation of health at home.

"There is no problem of greater urgency than this conservation of our national health. National health means national efficiency. We must begin now to store up energy for the greatest industrial struggle that is coming to be the cornerstone of the war."

"With a greater need for health conservation and a seriously needed medical force, it goes without saying that now, more than ever before, it is the duty, the work, the most economic method of combating disease. This is so in every respect; in every activity in which all forces tend to direct the progress of the war."

"These activities of course, should not be left to the individual; town, county, and State should all cooperate. That economy in public health activities may be greatly increased by this method of cooperation, and that the social and economic hazards, which have been so gradually been taken place in the medical profession, are likely to be lessened. It is true that the profession will work this emergency."

"The strikingly revolutionary program of the twentieth century as group of industrial and social reformers. The war relations more radically changed than the physicians. Many factors, eco-

Medical History for Medical Students

...school as has taken place in lost time from work through the operations of all...

...industrial dispensaries..."

...the greatest change that has come to medical practice has been the development of the field of industrial hygiene. It seems that the whole time of thousands of physicians, and it is hoped that the beginning has just been made. No doubt this latter situation has been stimulated by the work of compensation acts, but it is equally due to the awakening consciousness on the part of the manufacturer that the health of the worker is a definite asset in his business. Medical care in industry is not a charity; it pays good dividends."

"Now these questions arise: What relationship will this new industrial medicine bear to public health work? Should it not have something in common from the Department of Health, so that its work may be well co-ordinated? And lastly, would not industry co-operate in making industrial hygiene compulsory?"

"This type of socialized medicine will be intrinsically preventive. It will discover disease in its incipiency; it will prevent loss from illness. It will attack directly such problems as bad housing, venereal diseases, alcoholism, tuberculosis, and thereby make a fundamental contribution to social welfare."

"I predict that the socialization of medicine, the raising of the standards of education, the co-ordination with the extension of preventive work, will be communalized; our general physicians would be reduced to the ill, to the sick, to the well, to the minor ailments, all the public physicians and their minor ailments, all the public physicians and their minor ailments, all the public physicians and their minor ailments, all the public physicians and their minor ailments."

"If we would be successful in the improvement of the health and happiness of the nation, we, must, to begin with, reorganize both private health practice and public health practice. Both must be placed on a higher plane of efficiency. We must set up adequate medical machinery by reorganizing the Federal, State, and municipal health work. This work must be entirely removed from political control so that scientific attainment and spirit may guide the whole organization; and then we may have the maximum of co-operation and co-operation throughout this machinery for the attainment of 100 per cent efficiency in working for public health."

"What share of the $500,000,000 loss which is charged to illness is due in un...
discover disease in its incipiency ... [and] our general sickness would be reduced by one-half.”

That was an official from the AMA actually calling for a national reorganization of healthcare that he referred to as socialized medicine. This was not just an op-ed piece; the AMA’s Section on Preventive Medicine and Public Health set up committees to investigate this quite thoroughly and made reports in the *Journal of the American Medical Association.*

It has been well-documented that, subsequently, the American Medical Association strongly opposed healthcare reform by condemning it as socialist. We’ll consider some examples of this shortly. But taking the long historical view, in fact, going back almost exactly one hundred years, we ask: why was there a reversal in supporting socialized medicine? And considering that the Socialist Party of America was founded in 1901 and had members elected to Congress and state government, why did the term become anathema to American political life? (The SPA changed its name in the 1970s but as Sanders indicated, there remain different socialist political parties with little influence.)

As a sign of how irascible the mood is today, a 2015 Gallup poll asked Americans if they would vote for a presidential candidate with a particular identity. Over 50% said they would vote for a candidate who was woman, or Hispanic, or Jewish, or Gay, or Muslim, or atheist. The bottom of the list, the only candidate who would receive fewer than 50% support from those polled, was a socialist.

Despite alternative arguments that can be made to question national healthcare, such as organizational logistics or the economics of it, it seems the specter of socialism is considered more effective in debunking the government’s role. So let’s unpack this.

**PART TWO**

When a centralized government intends to protect citizens from the ills of misfortune—including economic distress and poor health—socialized actions have long been considered a useful and valuable function of civilized society. The primary concern was the health of the working class, the backbone of the nation whose productivity was essential for society. Workmen’s compensation plans, which protected workers from economic loss from illness or injury rising out of occupational hazard, was a predecessor to plans that provided health insurance for other vulnerable populations: those in old age, the disabled, dependents, and children. It was accepted that society provide socialized plans for the care of those in need.

In the 1910s a few organizations spearheaded campaigns to legislate for these sorts of protection. One was the American Association for Labor Legislation (organized in 1906) whose members included President Woodrow Wilson, the progressive economist F.W. Taussig, social activist Paul Kellogg, and Dr. Alexander Lambert (personal physician to President Roosevelt). In 1912 they formed a Committee on Social Insurance, the first of its kind in the US, to study the design of European health insurance programs and their viability if adapted in the United States. A few of these committee members...
were physicians, who in 1915 worked with the American Medical Association (AMA) to establish their own, similar, Social Insurance Committee. By 1917 these committees, in cooperation with the AMA, drafted bills for health insurance that were introduced in fifteen state legislatures.11

In the years to follow, nine states had established commissions to investigate the conditions upon which legislation for a mandatory health plan might be enacted, the most comprehensive reports coming from Illinois, California, Massachusetts, and New York. But for every medical, hospital, and nursing association or every labor organization that testified in favor of health insurance, opposition emerged among manufacturers and commercial insurance companies.12

Meanwhile the leadership of the American Medical Association was writing editorials in the pages of the Journal of the American Medical Association (JAMA) explaining to its physician membership that its Social Insurance Committee was collecting data to educate its members about “the absolutely essential part which the medical profession must play in a successful adaptation of this new legislation to American conditions.”13 Members of the AMA were well aware of the reforms occurring in Europe. Foreign correspondents regularly updated American physicians. And while fully cognizant that government restructuring of healthcare meant a change in the business model for medicine, the editorials in JAMA were overall supportive. As a JAMA editor wrote in 1912, the year after the British parliament passed the National Insurance Act, “The state in the future must protect the citizen against disease, just as it now protects him from foreign invasion.”14

However, the course of World War I, in particular the alarming
success of Germany and the Central Powers against the Allies, turned attention away from health legislation. The activities of the AMA’s Social Insurance Committee were suspended when its senior members had entered the armed services.

By 1920, forty-three states had enacted workman’s compensation legislation, but the more comprehensive health coverage for old age or illness was left alone. Also by 1920, consideration and support for social insurance appeared suddenly and decisively to turn within the American Medical Association.

State delegates of the Association had read Commission reports from Illinois and New York and declared that they had identified “a number of medical sociological problems which should be read with interest by every physician ....” The “Medical News” section in JAMA in 1919 referred to the Illinois report and drew attention to its conclusion that “compulsory Health Insurance is not an important factor in the prevention of diseases or in the conservation of health.” While the JAMA note essentially begins and ends with that quote, if one consults the Illinois Report they will see that it is within the context of further discussion of the projected costs of health insurance ($50-60 million a year for that state) and the disquieting statement that, because of the costs to the state, “This would inevitably lead to political control and management.”

The cost of the program and potential burden of finding funds to support it was secondary to the concern over the notion that politicians would “control” medical care. Given the way future discussions evolved, that statement was probably the pin that was stuck into

Fig. 5: Workmen’s compensation laws in U. S. and Canada, 1921. Adapted from the map published by the American Association for Labor Legislation, Frank Fetter, Modern Economic Problems (New York, 1922)
the bubble of interest about social insurance among the American Medical Association. So in what seems otherwise an abrupt change of tone, it was announced by the AMA’s Committee on Hygiene and Public Health at the annual meeting in New Orleans in 1920: “That the American Medical Association declares its opposition to the institution of any plan embodying the system of compulsory contributory insurance against illness, or any other plan of compulsory insurance which provides for medical service to be rendered [to] contributors or their dependents, provided, controlled, or regulated by any state or Federal government.”

At this time, within the pages of editorials and state reports, nothing is mentioned of socialized medicine, or socialism. Not once in the Social Insurance Commission’s reports do we find the term “socialized” or “socialist.” The expressed concern was along the lines of disciplinary control of medical authority. It was a concern over who makes decisions regarding diagnosis and treatment. A San Francisco physician who was ostensibly sympathetic to social insurance opined upon the perceived risks of handing control over patient access to healthcare to the government. In a 1931 article about national health insurance in the *New England Journal of Medicine*, the author wrote:

Every department of the government, from the United States Army and the Public Health Service down to the smallest town council, has always looked to representatives of our profession rather than to chiropractors, osteopaths, or faith healers, to safeguard and maintain the highest possible standards of health. Although it is true that in Los Angeles and certain of its environments cultists of various types have influenced local governments and secured entrée to public and endowed institutions, where they have attempted the practice of medicine along lines not always confined to the teachings of their schools of medicine.

Immediately following World War I, discussion of “government control” began to sound like dictatorship. The war provided a repository of metaphors used to make people question government motives. Perhaps historically fortuitous, but one of the pioneers of the social insurance movement in America was a Russian-born but American-educated physician named Isaac Max Rubinow. A member of the American Association for Labor Legislation and (from its establishment in 1916) the executive secretary of the AMA’s Social Insurance Committee, he was also a polymath statistician, political scientist, and economic consultant to the US Department of Agriculture and Bureau of Labor. In 1913 he published his comprehensive tome, *Social Insurance, with Special Reference to American Conditions*, a book that explained the unfamiliar concept of “social insurance” to Americans by comparing it to European models.

The book defined social insurance as “nothing if not a well-defined effort of the organized state to come to the assistance of the wage-earner and furnish him...
something he individually is quite unable to obtain for himself.” It was published in the midst of the workman’s compensation efforts and was well-received in press reviews. However, drawing heavily on comparisons between Europe and America, he consciously avoided the association between “socialism” and social insurance. But this did not matter. His Russian heritage and interest in nineteenth-century German healthcare models would work against him. A few years later, it would be remembered that social insurance was, in the words of the physician from California quoted above, a movement “born of propaganda, bred and spread by a man of Russian name.”

Here the argument noticeably transformed into nationalistic protectionism. It was not so controversial to use the term “social” or “socialist” in America before World War I, but during and after the War it was problematic to suggest that America was following the lead of Germany or Russia on anything. As early as 1916, the President of the San Francisco County Medical Society invited Rubinow to a debate about health insurance where fears over the motives of welfare reform were expressed by the president:

No European sociologist is as competent to judge what is best for California as the man who has lived in and intelligently studied the welfare of the state … while there may be many things made in Germany which are good for some Germans and there may be some things made in Romania which are good for many Romanians, it does not necessarily follow that because these law are tolerated by European people, or have been found necessary to their welfare, that the same law is necessary to the people of California.

To this, Rubinow replied wondering whether it was prudent to reject social insurance just because it was a European and not an American invention. “Is the system to be condemned for no better reason than that even Russia or Romania have learned to use it?”

All too easily, government-supported health care—even at the state and not the federal level—was cast as un-American and tyrannical. During the Gubernatorial elections in California in 1918, where health insurance was on the ballot as a state amendment, the Los Angeles Sunday Times advised readers to reject the proposition. Their explanation: “A device borrowed from the imperial laws of Germany, making health insurance compulsory and depriving citizens of the right to decide for themselves when they are ill and what physician shall treat them. It authorizes the immediate enactment of health insurance legislation that would cost the State at least $62,000,000 annually. It is highly objectionable and its rejection at this time is a patriotic duty.”

As a side note, it is interesting to observe that this election had three candidates for governor: the incumbent Republican William Stephens, an Independent Theodore Bell, and a Socialist Party of America candidate, Henry Roser (who received 4% of the vote). A reminder that “socialism” as a political ideology was not as alien as we might think.

Invoking Germany as an ill-advised model for protecting the health of American citizens was both political and historical. Not only was it the enemy, but it was the first country to institute social insurance under Otto von Bismark’s Health Insurance Bill of 1883.

Over the next decade, the opposition to health insurance grew in momentum state-by-state. In 1929, Dr. Alice Hamilton, the pioneer physician, first female faculty
member at Harvard University, expert in toxicology and champion of occupational health, summarized the opposition and defeat of social insurance following the states’ commission reports by identifying the efforts of the AMA, the American Federation of Labor, and “the two largest industrial insurance companies.”

The American Association of Labor Legislation (AALL), who had provided the strongest advocacy for social insurance in the 1910s, was no match for organized opposition of the 1920s. As historian Daniel Hirshfield wrote, “Faced by a hostile medical profession and a largely apathetic, if not unfriendly, public, they could do nothing but withdraw from the battle.”

One consequence of the Great Depression, which saw the unemployment of millions of American workers, was that the national discourse over social welfare returned to original concerns about fiscal security as an issue separate from health insurance. Large agencies such as the Congress of Industrial Organizations and the United Auto Workers canvassed the federal government for legislation to find protection for workers, only cautiously offering support for national health insurance legislation.

The emergence of the New Deal in the 1930s concentrated federal legislative focus on old age assistance, unemployment, and aid to disabled and dependent children. This culminated in the passage of the Social Security Act of 1935. To accomplish this, the Roosevelt administration strategically put into abeyance any public discussion of national health insurance in favor of “problems related to the economic security of individuals.”

Princeton University historian Paul Starr reflected on Roosevelt’s careful path to reform during an interview with Bob Garfield of WNYC:

Roosevelt never took on the AMA, directly. The Committee for Economic Security, which recommended the old age insurance system that we know of as Social Security, they also recommended health insurance. But when Roosevelt had to decide what was he going to submit to Congress in 1935, he held back the health insurance provisions. He was afraid of the AMA’s opposition, and so, decided to leave it to a later day. But

Fig. 7: Unemployed outside a New York soup kitchen, circa 1930. Getty Images.
during the Great Depression, Franklin Roosevelt and the American people had a lot of other things to worry about, and so he never got back to health insurance, and it was only Harry Truman who then was the first president to make national health insurance a cause.\(^\text{32}\)

A detailed history of the relationship between health insurance and social security as negotiated by the Committee on Economic Security and the corresponding Technical Committee on Medical Care has been provided by other historians.\(^\text{33}\) Suffice it to say here that Roosevelt admonished his administration to avoid raising the issue of national health insurance until after the elections of 1936, at which time Roosevelt was safely re-elected. In 1938, the results of the Technical Committee on Medical Care were discussed at the first national forum of its kind, the National Health Conference. In 1939, President Roosevelt submitted the reports to Congress, titled “The Need for a National Health Program,” and “A National Health Program.”\(^\text{34}\)

The reports recommended a wide range of federal assistance for medical care and the extension of public health services. That same year, Senator Wagner, a democrat from New York, introduced S.1620, a bill proposing amendments to the Social Security Act which became the first legislative proposal for national health insurance in America and rekindled the public debate on its viability. Immediately, rising opposition—once again, notably by the American Medical Association—stopped the bill from going to vote. Undeterred, the administration redoubled its efforts, and two additional congressmen joined Wagner’s efforts to propose a number of bills that appeared throughout the 1940s that are referred to generally as the “Wagner-Murray-Dingell Bills.”\(^\text{35}\) No manifestation of these

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Fig. 8: Washington New Dealer, 1938. University of Washington Labor Press Project.
proposals would ever make it to a vote on the floor of the House or Senate.

Not that healthcare measures were completely overlooked in the 1940s. In 1943, for instance, Congress authorized emergency health provisions for the dependents of enlisted servicemen under the Emergency Maternity and Infancy Care program.36 Interestingly, that same year a British academic from Oxford University spent two months on a lecture tour of America discussing trans-Atlantic “problems and methods of Social Security.”37 The person was Sir William Beveridge, a liberal economist and champion of social welfare reform in the U.K. Just the previous year, in 1942, he published a parliamentary report on behalf of the Committee on Reconstruction Problems surveying social insurance, including workman’s compensation and health coverage, with consideration of the development of a National Health Insurance scheme. This became known as the Beveridge Report, a document that provided the foundation for post-war reforms leading to, among other things, the creation of the National Health Service in Britain.

Sir William Beveridge described the main points of his plan in the following way:

The security plan in my report has three sides to it. The report proposes first of an all-in scheme of social insurance, providing for all citizens and their families all the cash benefits needed for security, in return for a single, weekly, contribution by one insurance stamp. The report proposes second a scheme of children’s allowances, to be paid both when the responsible parent is earning, and when he is not earning. The report proposes third, an all-in scheme of medical treatment, of all kinds, for all citizens. That is the aim of my report as shortly as I can put it.38

The NHS would eventually be established in 1948 following various parliamentary acts. As a program of post-war reconstruction, it is reasonable to see national health coverage as a consequence of particular pressures created by war. This applies to the American context for these concerns as well. Following Roosevelt’s death in 1945, and just three months after dropping the atomic bomb on Hiroshima, President Harry Truman sent a message to Congress proposing a new national healthcare program. Echoing arguments made during World War I, Truman’s comprehensive statement reported that an alarming percentage of men and women who registered for military service were rejected by the Selective Service System because they failed medical examinations. It
was an indictment on the health of the population and the strength of the nation. It was a statement reflecting the national importance of healthcare to improve the health of its population. “We should resolve now that the health of this Nation is a national concern,” Truman wrote. “That financial barriers in the way of attaining health shall be removed; that the health of all its citizens deserves the help of all the Nation.”

In his 1948 State of the Union address, Truman underscored his commitment:

“The greatest gap in our social security structure is the lack of adequate provision for the Nation’s health. We are rightly proud of the high standards of medical care we know how to provide in the United States. The fact is, however, that most of our people cannot afford to pay for the care they need. I have often and strongly urged that this condition demands a national health program. The heart of the program must be a national system of payment for medical care based on well-tried insurance principles. This great Nation cannot afford to allow its citizens to suffer needlessly from the lack of proper medical care. Our ultimate aim must be a comprehensive insurance system to protect all our people equally against insecurity and ill health.”
The resurging interest in national health insurance, preceded by piecemeal congressional legislation but now a presidential mandate, prompted the American Medical Association to raise the ante in their own counter-offensive. Soon after Truman's address on healthcare insurance, the AMA hired two individuals to run a campaign against the health plan. Their names were Clem Whitaker and Leone Baxter, both political journalists who honed their Machiavellian insights to the world of politics to run political campaigns. In 1933 they founded a company called Campaigns, Inc., the first ever political consulting firm. Large corporations like Standard Oil and PG&E had this California power-partnership on retainer, paying them to manage media messages in an effort to improve the companies’ public images and promote pro-business legislation. They were also famous, or notorious, for masterminding the art of negative advertising in politics.

Their experience with condemning healthcare reform began in earnest in 1945. The California Medical Association ponied up an annual fee of $25,000 to have Whitaker and Baxter take down Governor Warren's proposal—laid out in his State of the State address earlier that year—to institute compulsory health insurance.

They purchased massive amounts of newspaper advertisements. They invented an event called Voluntary Health Insurance Week, and provided 9,000 doctors with prepared speeches against the Governor’s project. They coined the slogan: “Political medicine is bad medicine.” In the words of Jill Lepore, whose 2012 article in The New Yorker magazine titled “The Lie Factory” examines the history of Campaigns, Inc., “Whitaker and Baxter took a piece of legislation that most people liked and taught them to hate it.”

Four years later, when Truman announced his interests in health insurance during his state of the union, the AMA knew who to call. With a retainer of $100,000 and a staggering annual budget of $1 million (paid through special assessment to AMA members), Whitaker and Baxter devised a new slogan to characterize Truman’s plan: socialized medicine. But just the term was not enough. Their marketing plan and speeches put forth the most disturbing portrait of a future for a country that just battled a world war...
to protect their liberties.

“Basically,” wrote Whitaker and Baxter, “the issue is whether we are to remain a free Nation, in which the individual can work out his own destiny, or whether we are to take one of the final steps toward becoming a Socialist or Communist State. We have to paint the picture, in vivid verbiage that no one can misunderstand, of Germany, Russia—and, finally, England.”

Again, now in a speech to the Council of the New England Medical Societies under the auspices of the AMA’s National Education Campaign, they said: “Hitler and Stalin and the socialist government of Great Britain all have used the opiate of socialized medicine to deaden the pain of lost liberty and lull the people into non-resistance. Old World contagion of compulsory health insurance, if allowed to spread to our New World, will mark the beginning of the end of free institutions in America.”

The campaign was successful, and Truman’s efforts failed to result in any congressional measures. He left office after two terms in 1953, and over the next eight years during the Republican administration of President Eisenhower barely anything more than a mumbling was heard about healthcare reform.

But certain congressmen did continue to make noise about it and made sure that it would play a prominent feature in the lead-up to the presidential election in 1960. Aime Forand, Democratic Representative from Rhode Island, was one. In 1958 he sponsored a new bill to provide hospital insurance to the elderly through an amendment to social security. It met with criticism which waged that the bill uniformly taxed people unfairly who would use the health service disproportionately since wealthy constituents were in no need of it. (So why tax them for it?) In other words, the socialist approach was too inclusive. But Congressional hearings persisted, and in 1960 both the House of Representatives and the Senate held hearings on the Forand bill, with senator and now presidential candidate John F. Kennedy sponsoring the bill.

Here is Senator Kennedy on the campaign trail in 1960 commenting on this.

Well the medical care for aged bill has been introduced in the House of Representatives by Congressman Forand
and I’ve introduced it in the United States Senate. The Forand Bill provides that those who are on social security, contributing to social security, should make a contribution so that when they are 65 years of age and over if they are men, 62 if they are women, or if they are over 50 if they are totally disabled, they can receive assistance from the fund in paying their hospitalization, paying the cost of their examinations and drugs, and also receiving some assistance in paying their general medical bills.44

Predictably, the AMA lodged an expensive advertising campaign to kill the bill by again invoking the yoke of socialism and dictatorship. In 1961, they hired Hollywood actor Ronald Reagan and launched “Operation Coffeecup” through local chapters of the AMA’s Women’s Auxiliary. A package with letters to congress was sent to these groups along with a LP record with a message from Reagan: “Ronald Reagan speaks out against Socialized Medicine” 45

“Back in 1927 an American socialist, Norman Thomas, six-times candidate for president on the Socialist Party ticket, said the American people would never vote for Socialism but he said under the name Liberalism the American people would adopt every fragment of the Socialist program. One of the traditional methods of imposing statism or socialism on a people has been by way of medicine. It’s very easy to disguise a medical program as a humanitarian project. Most people are a little reluctant to oppose anything that suggests medical care for people who possibly can’t afford it.

Now, the American people if you put it to them about socialized medicine, and gave them a chance to choose, would unhesitatingly vote against it. We had an example of this under the Truman administration. It was proposed that we have a compulsory health insurance program for all people in the United States and of course the American people unhesitatingly rejected this. So with the American people on record as not wanting socialized medicine, Congressman Forand introduced the Forand Bill. This was the idea that all people of Social Security age should be brought under a program of compulsory health insurance. But Congressman Forand was subscribing to this foot-in-the-door philosophy because he said if we can only break through and get our foot in the door, then we can expand the program after that. Walter Ruther said that it’s no secret that the United Automobile Workers is officially on record as backing a program of national health insurance. And by national health insurance he meant socialized medicine for every American. Well let’s see what the socialists themselves had to say about it. They say, once the Forand Bill is passed, this nation will be provided with a mechanism for socialized medicine, capable of indefinite expansion in every direction until it includes the entire population. Well we can’t say we haven’t been warned.

One of these days, you and I are going to spend our sunset years telling our children, and our children’s children, what it once was like in America, when men were free.”

Fig. 13: LP Cover of Reagan’s warnings about socialized medicine. Audio recording available on YouTube.
In keeping with historical precedent, Reagan’s warnings about socialism and dictatorship was consistent with wartime concerns about the invasion of European ideas since it was the Cold War, and the creeping tentacles of communism had to be checked by assuring that no freedoms were lost in the effort to provide healthcare to aging and dependent citizens.

The successor to the Forand bill considered in congress at this time was the King-Anderson bill, so-called from the sponsorship introduced by Senator Clinton Anderson and House Representative Cecil King. This bill provided for hospital insurance for the aged through Social Security and had, like every other bill, a tumultuous political history.

46

But by this time, proponents of health insurance began to protest the AMA attacks on medical reform. In 1961, the Health, Education, and Welfare (HEW) Secretary Abraham Ribicoff debated Republican Senator Kenneth Keating over the King-Anderson Bill, criticizing the “scare tactics” and negative ads run by “organized medicine.”

47 Here is Secretary Ribicoff rebuffing allegations of promoting socialist medicine on “Meet the Press” in 1961:

LAWRENCE SPIVAK: Mr. Secretary, as you know the AMA and others have charged that the medical aid bill for the aged under social security is an opening wedge to socialized medicine. Now if you thought there was a chance the bill might be an opening wedge to socialized medicine, would you still be for it?

SECRETARY RIBICOFF: Well it’s not an opening wedge to socialized medicine. I’m for the bill.

SPIVAK: I’m asking, if you thought it was an opening wedge …

RIBICOFF: I would be against a bill if it were for socialized medicine.

SPIVAK: If it opened the door to socialized medicine?

RIBICOFF: It doesn’t open the door to socialized medicine.

SPIVAK: Will you tell us what makes you so sure that it doesn’t.

RIBICOFF: Because you and I, and every other American, Mr. Spivak, has the right to choose his own doctor. There is nothing in this bill that has anything to do with doctors. This bill takes care of the health needs of the people of America, our aged over 65, and basically takes care of their hospital bills, their nursing home bills, and their visits to the home for home care. The bill specifically provides that each and every American has the right to choose his own doctor and his own hospital.

SPIVAK: Well now, Mr. Secretary, when the President sent the special message to congress on health and hospital care, he specifically said that it was a very modest proposal cut to the absolutely essential needs and I think he also said that it was a foundation on which to build. Don’t you think, since it is a modest proposal only, that pressures will grow to add to it, and that eventually there will be doctor’s care added to it?

RIBICOFF: I personally don’t think so.

48

On this last point, Ribicoff would be proven wrong; that is, support for physicians’ fees would become Medicare Part B. But he was toeing the party line.

In the years preceding Britain’s introduction of the National Health Service in 1948, the British Medical Association, not unlike the AMA, expressed fear that the “free choice” of doctor among patients would cease. In response to this, the Socialist Party of Great Britain, writing in the Socialist Standard magazine in 1944, was pragmatic. Under the free market for the working class—for whom these programs were intended to serve—there already was no choice of what physician to see. “A worker may not choose to see a Harley Street specialist,” they wrote, referring to elite London doctors, “but most have a general practitioner … [and the] doctor chosen is usually the nearest, in order to save time.”

49

It was an insightful sociological point that the rich have more freedom to choose than the poor. But did doctors or patients actually lose freedom of choice under
national healthcare? Let’s look at Britain during the year Medicare was passed. In 1965, members of the British Medical Association and writers to the British Medical Journal were commenting on management of private medical practice and the terms of the contracts under which physicians worked for the NHS. Maintaining “freedom” was defined by these writers as: the “freedom to practice to the best of his ability in a place of his choosing, freedom to develop his special skills and inclinations by his own efforts.” “What a tragedy it would be for the public and for British medicine,” wrote the chair of the Private Practice Committee of the BMA, “if the right of the citizen to a completely independent medical opinion from the doctor of his or her own choice was lost.”50 While in America, British socialized medicine was invoked in stories about losses in freedom of choice, in Britain the conversation about their healthcare was about maintaining the freedoms that physicians and patients continued to possess.

After President Kennedy’s assassination in November 1963, President Lyndon Johnson, in ways reminiscent of Truman’s succession to the presidency following Roosevelt’s death, made the reform of healthcare a mission of his presidential platform. Five days after Kennedy’s death, President Johnson addressed Congress and discussed fulfilling the dreams of his predecessor. Placed within the context of civil rights was healthcare:

The dream of care for our elderly, the dream of an all-out attack on mental illness, and, above all, the dream of equal rights for all Americans, whatever their race, or color. … We will carry on the fight against poverty, and misery, and disease, and ignorance in other lands, and in our own. We will serve all the nation, not one section, or one sector, or one group, but all Americans.51

Fig. 14: President Lyndon Johnson signing Medicare into law with former President Truman, July 30, 1965. National Archives.
While the commitment to healthcare reform was here pronounced, privately, Johnson was more decisive. As he said to congressman Mills during a telephone conversation: “I’ll spend the goddamn money. I may cut back on some tanks. But not on health.”

Owing to the extensive Democratic victories in the elections of 1964, the proposal for “hospital insurance for the aged” was expanded. Representative John Byrnes, the ranking Republican on the House Ways and Means Committee, saw the writing on the wall and offered what is called the “Byrnes proposal” which added a second tier of federal subsidies which helped the elderly to pay for doctor’s bills. Thus became what is known as Parts A and B, respectively, of Title XVIII of the Social Security Amendments of 1965. Together, this is what we call Medicare, a popular term that actually originated in the military in the early 1950s referring to federally-supported care specifically to servicemen and their dependents. Just to complete the story, a third proposal, Title XIX, was added to the Amendment which provided federal grants to states for the destitute, which became known as Medicaid.

What is ironic is that the staunchest opponents of social insurance, and especially those who touted the idea that socialized medicine meant a government dictatorship of physician services, were actually initiators of the proposal to extend coverage to physician fees. They did this by abandoning the rhetoric that it was un-American to provide such insurance, and they did this despite more legitimate concerns that costs would grow out of control. When in 1965 republicans helped modify the Social Security Amendments to expand Medicare, they made it a bipartisan bill, thereby making it more difficult for them to criticize it in the future.

PART THREE

The critics of national health insurance who invoked the specter of freedom-killing socialism, associating it with the tyrannical governments that America fought wars against, even sometimes hinting it could be part of a Communist plot, were disingenuous if not outright duplicitous. Attacking a program that essentially began by providing veterans with medical help with the rhetoric that it was “statism” akin to enemy governments was an affront to all who need and receive medical care. It’s telling that in the same speech to congress where President Johnson vowed to realize Kennedy’s vision of healthcare reform that he reminded America of what side of European dictatorship we stood. “We have proved that we are a good and reliable friend to those who seek peace and freedom. We have shown that we can also be a formidable foe to those who reject the path of peace, and those who seek to impose upon us, or our allies, the yoke of tyranny.”

After decades of attacks against national healthcare based on the idea that it was European, it is interesting that Bernie Sanders decided to present the example of a European country to illustrate just what a democratic socialist healthcare-for-all program could look like. “I think we should look to countries, like Denmark, like Sweden, and Norway, and learn from what they have accomplished for their working people.”

However, there happens to be some disagreement about whether this indeed is a good example
of the ideology. Giving a speech to Harvard’s Kennedy School of Government, Danish Prime Minister Lars Lokke Rasmussen said, “I would like to make one thing clear. Denmark is far from a socialist planned economy. Denmark is a market economy.”

Given the highly polemical, political, and problematic uses of the term, how is anyone to make sense of what true socialism means? Here’s Noam Chomsky, professor of linguistics at MIT on C-SPAN, reflecting on the propagandist uses of the term socialist in 2003. (Comments below at mark 1:21:00 on the recording.)

As far as socialism is concerned, that term has been so evacuated of content over the last century, that it’s hard even to use. I mean the Soviet Union, for example, was called a socialist society and it was called that by the two major propaganda operations in the world, the US – the Western one – and the Soviet one. They both called it socialism for opposite reasons. The West called it socialism in order to defame socialism; by associating it with this miserable tyranny. The Soviet Union called it socialism in order to benefit from the moral appeal that true socialism had among large parts of the general world population. But this was about as far from true socialism as you can imagine.56

Socialism is often basically defined as the communal ownership over the means of production, a cooperative (in the moral and ethical sense) enterprise, rather than competitive as demonstrated in capitalist markets.

When there is mention of ownership over means of production, the question is: producing what? The all-encompassing answer is wealth. The way Marx and Engels defined socialism, it did not mean repossessing and divvying-up social wealth. It meant enabling democratic ownership over the means to produce wealth and use it for social good.57

How is the government administration of a healthcare fund that is used to pay toward medical bills of those in need, an act of empowering the laboring class so that they can contribute to the wealth of the nation? It isn’t. Marx’s socialism was not about workers relying for support on the centralized bureaucracy of an established authority (like the US government).

Government regulation of welfare provisions doesn’t fit the Marxian definition of socialism at all. It’s only when we witness the misappropriation of socialist ideology that we begin to understand what critics of national healthcare were presumably referring to.

Those who point to Germany’s healthcare as an example of the menacing model of socialism either do not know or hide the fact that Bismarck was one of the first “anti-socialist” socialists. Shortly after unsuccessfully banning all organized activity of the German socialist party in 1878, he coopted...
the slogans and implemented a political system to work against Marxist socialist ideals in attempt to render it obsolete. Seeing the failure of his anti-socialism laws, three years later Bismarck initiated health insurance programs to draw workers away from social democratic and socialist party supporters. The political preconditions for this were particular to the late nineteenth-century German empire and could not be recreated in twentieth-century America even if the government intended to.

In the first two decades of the twentieth century, there were “reformist” moves in a number of countries – including France, Britain, Australia, and America – to enable their governments to enact measures protecting the welfare of workers through labor legislation as well as municipal investment in transportation and housing. Government involvement in such social reforms was dubbed “state socialism” (or sometimes “philanthropic administrative socialism”) and a detailed analysis of it, such as provided by William English Walling, shows that it worked more to protect capitalism than promote socialism. Reflecting on British labor reforms and health insurance, Walling, a noted progressive social reformer in America, wrote: “the whole scheme may be looked on not so much as a measure to aid the sick and wounded of industry financially, as to set at work an automatic pressure working towards the preservation of the health, strength, and productive capacity of the people, and incidentally to the increase of profits.” In support of this view, he quoted then Chancellor of the Exchequer Lloyd George: “I want to make the nation more healthy than it is. The great mass of illness which afflicts us weighs us down and is easily preventable. It is a better thing to make a man healthy than to pay him so much a week when he is ill.”

State socialism was the name for a government program that sought to protect the economic value of labor by keeping it functioning. Classifying healthcare reform as European socialism, hyped during times of war and exemplifying communist plots, served to reshape the debates about curing people to killing their freedom. Both opponents as well as supporters of healthcare reform pivoted to talk about socialism either as the coming evil or to rebuke its connection to health insurance. “It is possible,” writes political scientist Max Skidmore in his analysis of Medicare and the American Rhetoric of Reconciliation (1970), “that the antagonists recognized the nonsense inherent in the hysterical debate over ‘socialism’ and cynically used the term to influence public opinion on the emotional level.”

Part of the portrait of socialist medicine was that the government would strip freedom from patients and doctors to the point of dictating where doctors could live and practice medicine. Harboring fear over a description of a situation that never existed is a function of what famed economist John Kenneth Galbraith called “The Age of the Wordfact.” He defined this as the political ploy to create semantic confusion when “to say that something exists is a substitute for its existence.” The “yoke of tyranny” that America fought wars against was not invited into America through healthcare reforms despite all suggestions to the contrary.

Nevertheless, the word socialism,
like illness itself, spread fear. It’s almost metaphorical. It’s reminiscent of Susan Sontag’s thoughts about disease, where she says, “Any disease that is treated as a mystery and acutely enough feared will be felt to be morally, if not literally, contagious.” Shifting discussion of illness away from the experience of American patients and toward the threat of foreign ideology made government ideas the real disease to be dealt with.

The fact that political discourse successfully shaped popular opinion tells us something about the evolution of political language which continues to frame our understanding of social actions. George Orwell discussed this in his 1946 essay “Politics and the English Language.” While, in Strunk and White fashion, he condemns the “decadence” of bad writing, he points out that language is an instrument to be handled carefully. “One ought to recognize that the present political chaos is connected with the decay of language,” he wrote. “Political language—and with variations this is true of all political parties, from Conservatives to Anarchists—is designed to make lies sound truthful ….”

It is ironic, if also a sad reflection on political discourse, that lies and mischaracterizations were favored over meaningful criticism. Opponents of national insurance would have been better off pointing to the history of American, home-grown, socialist movements and their failure as a warning against the futility of government programs. They could have pointed to the disappearance of the Socialist Party of Eugene Victor Debs by 1920, or the demise of La Follette’s political career and the end of the Progressive Party (backed by the Socialist Party) in 1924. Roosevelt’s own avoidance of healthcare reform in the 1936 election was an example of the ideological weakness with regard to anything appearing socialist. Labor unions, which have historically been pro-capitalist in America, sided with left-wing politicians to create, if anything, a social democratic political platform, not a socialist one. It would have been more effective if Ronald Reagan had not introduced Norman Thomas as some sort of cunning revolutionary, but as the figurehead of a failed Socialist party, thus discrediting attempts to socialize America through healthcare reform because it has a history of not working.

Perhaps the lesson learned from the history of the association between healthcare reform and the concept of socialism is that the looseness of language allows it to work for, and not only against, those who favor national healthcare. Just accept it, recommends liberal commentator Lawrence O’Donnell, with whose words we end: “I have explained in this space before how Newsweek reached the logical conclusion expressed on its February 16, 2009, cover “We are all Socialists Now.” We are all socialists in this country to support public education, state funded universities, government run hospitals, Medicare, social security – classic socialistic programs that have sensibly found their way into the American economy. The truth is that in this country, we are all socialists in varying degrees and we also are all capitalists.”

Fig. 16: Newsweek, February 16, 2009.
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