

## It's Free

DURING a recent vacation, I came across the following announcement in my hotel room: "Please do not take towels to the beach. They are provided FREE at your request." It did not say that there was no extra charge for this service, which was included in the room price. The management had apparently learned that the promise of something free, something for nothing, is more convincing than if it had been phrased otherwise.

In fact, we are subjected to numerous offers for so-called free goods and services. We are offered free lessons, free meals, free trips, including trips to Florida and far-off islands in the sun, in the hope that a land purchase will eventually result. Medical students are offered free instruments, free meals, and free cocktails by hospitals that want to induce them to intern there and by pharmaceutical companies that would like them to prescribe their products. Many radio and television programs base their entire appeal on the fact that they offer their listeners something supposedly for free.

### "Something for Nothing"

That such offers are so commonplace testifies to the widespread need and vulnerability that people have to getting something for nothing. This apparently is true for all socioeconomic groups, including those with substantial incomes who hardly need the product or services that are offered so freely. The hunger that motivates people to seek and accept something for nothing is the same hunger that drives others to take part in such totally irrational activities as shoplifting. The stolen item is frequently not really desired and in any event, the shoplifter can often afford it without too much difficulty if he wished to pay for it. Such activities are expressions of a deep-seated, hidden hunger that is most prevalent, a hunger to "get more." This non-specific hunger for "more" has very little, if anything, to do with the items that are offered as free or that are stolen by the shoplifter. It is an extremely powerful force, in fact so powerful that it motivates people to engage in self-destructive activities that otherwise would make absolutely no sense. The blind pursuit of wealth as well as such other diverse activities as hoarding or promiscuity

are further examples of this same hunger. So, also, are such all-encompassing compulsions as gambling, over-eating, and excessive drinking.

### What is "Free"?

Yet, although irrationality is the order of the day, society as such, and each individual within it, cannot escape from its consequences. What, if anything, is truly free? Not so long ago, before we became aware of the ecological crisis, we used to say that water and air were free. This obviously is not true. The cost of producing potable, usable water has always been very high; we are now just becoming more aware of it. We may, on occasion, come across a fountain of fresh, good, drinking water in our travels in nature, but the water we use in everyday life is transported, stored, filtered, tested and retested, heated or cooled, and measured. It is a finished product like any other finished product in our society, and, in fact, we pay for it.

The same is true for air. Although it is free in relatively unpopulated spots on Earth, we are becoming more and more aware of the fact that in order to keep our air fresh and clean we must spend billions of dollars over a period of many years. As economists have known all along, all resources are limited, and their allocation and distribution is what economics is all about. Everything has a definite cost, although not always is this cost expressed in monetary terms. In personal affairs, we may choose to offer someone a free gift and bear the cost for it ourselves. Such a free gift would have no strings attached and, from the point of view of the receiver, it is indeed a precious thing to be cherished. From a societal point of view, such a situation cannot exist. Every gift we give ourselves must be paid for somehow, somewhere, in some way.

### Shifting the Burden

Such obvious and simple-minded truisms need, nonetheless, to be spelled out and carefully elaborated on; for although they seem so obviously true, they are not generally recognized as such. Large segments of our society seem willing to substitute wishful thinking for reality observations, ignoring the high cost of doing so. For instance, the assumption that we can let the government pay for something and in so doing lighten our own burden is obviously fallacious. The government is ourselves. One may hope to

make the load somewhat lighter for oneself by shifting the burden of taxation to another segment of the population, but society as such must still pay the tab. Senators, congressmen, and other advocates of social reform who promise changes in our society based on offering additional free services are in fact able to do so only because they assume that large segments of the population are really not smart enough to see through such promises. Offers of this type are, in fact, an insult to the intelligence of those to whom such promises are made. It takes a simple-minded mentality to accept pie-in-the-sky promises at face value. In the reality of limited resources and means, most decisions are based on selecting between difficult and imperfect solutions; and in choosing one course of action, we must inevitably give up another.

It is in the light of these observations that one must also examine the promises of "free" medical care. It is not free. It simply means that society will have to shift resources from other needs into the area of health, as it has shifted resources into the development of atomic weapons or the space program in the past. Those to whom such promises are made are not told what they would have to forego in order to get what is promised. It is an appeal to the emotions, based on the yearning to have "more." It regards people not as rational beings capable of making intelligent decisions, but as creatures motivated by primitive fears and at the mercy of unresolved hungers. It is curious that those making such promises often like to cloak themselves in such labels as "humanistic" and "progressive."

It is unlikely that physicians, nurses, and others involved in the health professions will be willing to substantially cut their standard of living, whether they are self-employed or employed by the government. Since the number of calls on the services of these people can be expected to increase, it is obvious that the total cost will be greater than in the past. Society will have to pay this cost. It is anything but "free."

### Escalating Cost of "Free" Care

Implied, but not spelled out, in the promises of free medical care is the assumption that as the method of financing is changed it will be possible to limit and decrease the financial return of physicians for their work. This supposedly will make the whole plan less costly, and hopefully bring it within reach of society's resources.

The history of similar plans in other countries needs to be studied only superficially to realize how wrong such assumptions are. In each and every case, costs have soared and demand for service has risen sharply since it appeared to be free. Moreover, the productivity of health personnel has dropped sharply, increasing the unit cost of each visit. Worse yet, society has had to find new and huge sources of revenue, through direct and indirect taxation, to support this hungry and ever-growing and inefficient colossus. The burden on each individual has become considerably heavier than it was before such "free" services became available. When the Social Security system was first discussed and its merits debated, similar warnings were voiced and conveniently ignored. Now, since Social Security is actuarially bankrupt, Congress has been forced to raise contributions for its liquidity again and again. The bite that Social Security taxes take from each pay check, relatively insignificant only a few short years ago, is now beginning to rival in size that of the income tax, and is constantly increasing.

Nevertheless, we fail repeatedly to learn this lesson, still hoping to "get more," to get something for nothing. Those who make such promises to the public blatantly exploit this child-like hope and yearning within each of us, using it as a lever in their attempt to reach for "more" power. This is *their* illusory hope and wish to "get more," but unless we recognize it as such in time, each of us will be presented with the bill and will have to pay the price in full.

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