

POLICY INSIGHTS

Safe Haven: How Mutual Aid Can Protect Families in Times of Trouble

By Greg Scandlen*

THE COOPERATIVE SPIRIT

Democratic-Capitalist societies are often characterized as lands of “rugged individualism” – each person responsible only for himself, boldly standing against the rest of the world, come what may. Such a spirit is romanticized in the image of the lonesome cowboy or in William Ernest Henley’s short poem “Invictus” –

*It matters not how strait the gate,
How charged with punishments
the scroll,
I am the master of my fate:
I am the captain of my soul.*¹

In fact, nothing could be further from the truth about capitalism. While we might admire the heroism of people who overcome great odds, that is not remotely how democratic capitalist societies operate.

In his landmark book, “The Spirit of Democratic Capitalism,” **Michael Novak** explains that such a system is in fact the most cooperative economic/political arrangement ever created. It

Key Points:

- The collapse of governmental promises will spawn new forms of virtuous cooperation.
- Capitalism is the most cooperative, community-oriented economic system ever invented, but capitalism and self-governance must be leavened with virtue.
- One virtue is a willingness to help one another through hard times.
- First in Great Britain and then in the U.S., ordinary working people banded together to provide a wide range of mutual assistance, which included life insurance, medical care, and sick pay.
- Over time these self-help organizations were displaced first by commercial organizations and then by government programs.
- But with governments unable to deliver all they promise, self-help communities are emerging.
- An early example are Health Sharing Ministries which, while rudimentary today, will likely blossom with the help of social media.

“It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.”

begins with the family unit and grows to include commercial partners, suppliers, and customers. It includes the entire community. He writes –

The very structure of democratic capitalism – even its impersonal economic system – is aimed at community... the community of free persons in voluntary association. ²

Novak cites the founder of the concept of capitalism –

In the “Theory of Moral Sentiments,” (Adam) Smith points out that every self is both individual and social, and has both selfish and benevolent interests. As to which represents the higher virtue, it is absolutely clear to him ‘that to feel much for others, and little for ourselves, that to restrain our selfish, and indulge our benevolent affections, constitutes the perfection of human nature....’ ³

In order to exercise these higher virtues, the individual must first ensure that his own needs are taken care of. But even here the individual must engage in cooperative relations with others. Smith’s famous dictum – “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest” – makes it clear that the butchers, brewers, and bakers are not sole operators. They need others to supply the wheat, the sugar, and the sides of beef. They are not making their own ovens, vats or knives. They must have customers or their products will spoil and

be worth nothing.

Not one of these other actors is compelled to cooperate with the butchers, brewers, or bakers. They do so only because such cooperation is in their own interest. Cooperation is hard-wired into every aspect of political and economic life.

This remains true today. Both Romney and Obama were right during the 2012 election when one said, “I built that,” and the other replied, “you didn’t build that on your own.” Even the most successful and largest enterprises begin with one person – just one – having an idea. But to take it beyond just being a swell idea, that person must persuade others of the merit of the idea – first to partners, then to investors, then to accountants, attorneys, managers, and marketers, then to employees, and finally to customers. All of these people have to agree with the initiator that the idea has merit and is worth trying out. If they don’t agree, the idea will never come to fruition.

It takes not only the idea for a new product or service, but the ability to explain the idea in a persuasive way. We all know people who are full of fascinating ideas, but never actually make them happen.

The Importance of Fair Play

Novak has another important observation about all this – that it was the Anglo-Saxon culture that nurtured this cooperative approach to economics. Other cultures were more content

with “traditional societies” which were dominated by military leaders, aristocracies, or religious orders. These societies did not encourage individual initiative or voluntary cooperation. Novak writes –

Anglo-Saxon culture appears in this respect to be particularly misunderstood among other cultures of the world. Its leading figures speak openly of the importance of the individual, but in practice Anglo-Saxon customs and traditions nourish remarkable social orderliness and a splendid cooperative spirit. One sees it in British common law and in that peculiarly British love of liberty combined with respect for the law. ⁴

Again he cites Adam Smith –

Finally Smith insists on fair play. Individualism must be held in check by moral-cultural ideals – ‘In the race for wealth, and honours, and preferments, he may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors. But if he should jostle or throw down any of them, the indulgence of the spectators is entirely at an end. It is a violation of fair play, which they cannot admit of.’ ⁵

Does this sound quaint today? It shouldn't. From the 19th Century “robber barons” to recent actions against Microsoft and Enron, the “spectators” (society) often step in to blow the whistle when companies are not playing fair.

So, we have a society in which individuals are allowed to innovate and prosper from their own initiative, but only within the bounds of “fair play.” Fair play is a bundle of virtues which **David Green** summarizes in his 1993 book, “Reinventing Civil Society: The Rediscovery of Welfare Without Politics”–

We only have to look at our own language to discover the rich variety of virtues that make a free society work and which describe the obligations we all owe to one another. Good character, honesty, duty, self-sacrifice, honour, service, self-discipline, toleration, respect, justice, self-improvement, trust, civility, fortitude, courage, integrity, diligence, patriotism, consideration for others, thrift and reverence are just a few. ⁶

The elevation of these virtues, and the discouragement of their opposites, is necessary for a well-functioning society. Yet today in the United States, little thought is given to the need for a virtuous people.

The Left sees mankind largely in political terms. They want universal suffrage and a robust government to rein in economic players and assure that basic needs are met for all. The Right focuses on economic freedom. They want people to be secure in their possessions and free to engage in commerce with a minimum of restrictions.

But Green and Novak see an indispensable role for a third leg of society – the moral/cultural sector. In this they are very close

Virtues that make a free society work include good character, honesty, duty, honour, service, self-discipline, respect, trust, justice, civility, thrift, patriotism and more.

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to the American founders who believed that virtue was a necessary precondition for liberty. Liberty by itself could easily lead to hedonism. The Washington, Jefferson & Madison Institute of Charlottesville, Virginia recently compiled a few citations of this principle: ⁷

George Washington – “Virtue or morality is a necessary spring of popular government,” and “Human rights can only be assured among a virtuous people.”

Benjamin Franklin – “Only a virtuous people are capable of freedom.”

James Madison – “To suppose that any form of government will secure liberty or happiness without any virtue in the people, is a chimerical idea.”

Thomas Jefferson – “No government can continue good but under the control of the people; and ... their minds are to be informed by education what is right and what wrong; to be encouraged in habits of virtue and to be deterred from those of vice ... These are the inculcations necessary to render the people a sure basis for the structure and order of government.”

Samuel Adams – “Neither the wisest constitution nor the wisest laws will secure the liberty and happiness of a people whose manners are universally corrupt. He therefore is the truest friend of the liberty of his country who tries most to promote its virtue.”

John Adams – “Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other.”

Cooperation in a Free Society

What does this mean in practice? There are times when neither the political nor the economic sectors are capable of providing for the needs of the people. Such times are not rare. In fact, for most of the world, that is the normal state of affairs. Governments might be corrupt or inept, markets might be poorly developed or lack stability. Entrepreneurs might be few. What are people to do? Wait around for conditions to improve?

No, people will sometimes join together to take care of their mutual needs. But to do this requires the “social orderliness and a splendid cooperative spirit” Novak describes.

To cooperate for mutual benefit, people must trust one another. They must have the virtues Green discusses – “Good character, honesty, duty, self-sacrifice, honour, service, self-discipline, toleration, respect, justice, self-improvement, trust, civility, fortitude, courage, integrity, diligence, patriotism, consideration for others, thrift and reverence.”

At least these are the conditions required by a free people. Similar activities might come about through the direction of a strong man, a tribal leader, or a gangster boss – “You will cooperate or I will kill you.” That might work for a while, until the current boss is usurped by another, or

until people's resentment builds and the boss is overthrown. Then there is chaos until a new boss emerges.

Green and Novak are well aware of totalitarian societies. They understand that this is the traditional way to organize an economy – have a boss at the top to tell everyone else what to do. This is the default system for humanity. It isn't even old-fashioned. There is plenty of it going on today, even underneath a facade of elections and parliaments.

The Anglo-Saxon approach to liberty tempered with virtue is all the more remarkable, then. It is a counter-intuitive way to order human affairs. It has existed for only a few centuries of human history, and there is constant pressure to lay it aside and return to the default system. It takes constant nurturing, and ongoing education in what is virtuous behavior. We cannot assume that such skills are instinctual or inherited.

THE FRIENDLY SOCIETIES IN GREAT BRITAIN

There arose in the British Isles a mechanism to accomplish these goals – the “friendly societies.” These were mutual aid organizations, organized by workmen, not for charitable purposes, but to cooperatively secure benefits for their members. Green writes, “In Britain the friendly societies were the most important providers of social welfare during the nineteenth and early twentieth centuries.”⁸

Yet they did far more than simply provide benefits to their members. They were elaborate, sometimes very large, self-governing organizations. They instructed their members in the sort of virtues cited above, including cooperation, duty, self-sacrifice, mutual respect, civility, justice, and thrift. They also taught their often poorly educated manual laborer members how to chair meetings, write minutes, conduct fair discussions, balance books, make presentations, and perform all the other tasks required by a parliament or a large organization. These were men who had little power or respect on their jobs, but as lodge members they had the opportunity to be leaders and take responsibility for the welfare of others.

This sense of personal empowerment and responsibility were essential. These men were not passive recipients of charity or government largesse. They were owners, investors, and managers of an enterprise. They and their families received benefits they had paid for and saved for.

Green writes –

During the nineteenth century and until early (in the twentieth) century most families took pride in being self supporting but wages were such that, if the breadwinner fell ill or died, hardship was the invariable result. The philosophy forged by this harsh reality was mutual aid. By the early years of (the twentieth) century the friendly societies had a long record of functioning as social and benevolent clubs as well as offering

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Benefits were extensive, including sick pay, medical care, funeral expenses, financial support for widows and orphans, and even relocation assistance to find work.

benefits: such as sick pay when the breadwinner was unable to bring home a wage due to illness, accident or old age; medical care for both the member and his family; a death grant sufficient to provide a decent funeral; and financial and practical support for widows and orphans of deceased members. Medical services were usually provided by the lodge or branch doctor who was appointed by a vote of the members, but most large towns also had a medical institute, offering the services now provided by health centres. The societies also provided a network of support to enable members to travel in search of work.⁹

These benefits were extensive, including sick pay, medical care, funeral expenses, financial support for widows and orphans, and even relocation assistance to find work. But importantly, it wasn't just financial support. The friendly society members would visit the sick at home or in the hospital, they would help each other find work, they would intervene when a member was misbehaving. Green quotes the purposes given to new members by the Ancient Order of Foresters –

We are united together not only for the wise purpose of making provision against those misfortunes which befall all men, and of assisting those who require our aid, but for the moderate enjoyment of friendly intercourse, and the temperate interchange of social feeling... We encourage no excess in our meetings, and enforcing no

creed in religion or code in politics, we permit neither wrangling nor dissension to mar our harmony or interrupt our proceedings.

In your domestic relationships we look to find you, if a husband, affectionate and trustful; if a father, regardful of the moral and material well-being of your children and dependents; as a son, dutiful and exemplary, and as a friend, steadfast and true.¹⁰

The Grand United Order of Oddfellows had a similar charge to new members –

It is desired that you should make the event of your Initiation a time for strict self-examination; and if you should find anything in your past life to amend, I solemnly charge you to set about that duty without delay, — let no immoral practice, idle action, or low and vulgar pursuit, be retained by you.¹¹

If this sounds like a 12-Step Program, it should. Like Alcoholics Anonymous, these societies were as much focused on self-improvement as providing mutual benefits. They were reinforcing the principle of virtuous behavior among their members. Who does that today, other than perhaps the church? But these organizations were strictly secular. While the churches focused on living out faith on earth and salvation and life in the hereafter, the friendly societies concentrated strictly on the here and now.

Regulating the Friendly Societies

The first legislation regarding friendly societies was enacted by Parliament in 1793, though of course they existed long before then. By 1801 there were some 7,200 societies in Britain with a male membership of 648,000 out of a total population of about nine million. By 1910, there were 6.6 million members of 26,977 registered societies plus an unknown number in unregistered versions.¹²

Green goes into great detail about the various organizational structures, but typically there were local lodges, a national federation, and some mid-level association.

All of this worked very well, until 1911, when the National Insurance Act was passed. This was originally intended to extend “the benefits of friendly society membership to the entire working population.” That idea was killed by a combination of organized medicine and the commercial insurance industry. The former disliked the idea of working-class control over “medical gentlemen,” and the latter saw friendly societies as a threat to their business model. The British Medical Journal editorialized –

We now resume our place as medical practitioners pure and simple, ready as sellers to give our services to the buyer, who is now not the poverty-stricken wage earner, but the solvent State Insurance Company.¹³

The insurance industry was even more

ruthless. By 1910 it had 28.5 million funeral benefits policies in force, with 70,000 door-to-door salesmen, earning commissions of 20 to 30 percent on each policy. It was able to mobilize this force to influence the design of the pending legislation.

These two interests were able to shove the friendly societies out of any major role in administering the benefits of the National Insurance Act, while keeping their own businesses intact. The only room left for the societies was covering the wives and children of workers, since the Act covered only the workers, not their families.¹⁴

By 1939, national insurance covered 19 million of a population of 46.5 million. About 15 million were covered by some form of organized care, including the friendly societies, and the rest would have paid cash. When the National Health Service was created in 1948, it standardized the delivery of care and eliminated any possibility of alternative approaches.

FRATERNAL ORGANIZATIONS IN THE UNITED STATES

The concept of fraternal aid was quickly adopted in the American colonies, starting with the Freemasons, which organized a lodge in Boston in 1733¹⁵ and spread to other coastal cities. The Freemasons tended to be comprised of the upper crust of American society and included such luminaries as George Washington, John Hancock,

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and Paul Revere. After the revolution they broadened their membership to include artisans and skilled craftsmen. Unlike other emerging fraternal, the Freemasons remained decentralized and focused more on charity than mutual aid. Freemasonry was not strictly a white phenomenon. The African Grand Lodge of Massachusetts was founded in 1791, and by 1840 there were black Freemason lodges in New York, Pennsylvania, Maryland, and the District of Columbia.

Through the 1700s, American mutual aid groups tended to be local, one-lodge affairs, based on kinship of ethnicity, location, occupation, or religion. But they tended to be a mixture of economic classes, including merchants, tradesmen, and laborers.

Larger, "affiliated" orders began to be imported from Britain in the early 1800s. One of the first was a Baltimore lodge of the Manchester (England) Unity of Oddfellows in 1819. The Oddfellows grew into other communities and broke off from the English order in 1842 to form the Independent Order of Odd Fellows (IOOF).¹⁶ Other imports included the Foresters, Rechabites, and the Druids.¹⁷ They all tended to draw members from all economic classes and often had skilled workers in leadership.

As they became more organized, the societies tended to regularize the benefits of membership. Rather than giving out aid on an as-needed basis, the Odd Fellows had a defined stipend of \$3.00 to \$6.00 per week for members who were sick, for example. They were insistent

that this was not charity but a benefit that was a right of membership.

The IOOF grew from 3,000 members in 1830 to 465,000 in 1877, and dispensed \$69 million in benefits during this time. But the formal monetary benefits were not the most important advantage of membership. As important were the ability to connect to a community when relocating for work, and the personal assistance members gave to one another during times of hardship.

The Common Devotion to Virtue

Like their British counterparts, the American fraternal emphasized the value of virtue, including thrift, sobriety, civility, self-reliance, and honesty. This was true whether the organization was made up of native-born American men, women, immigrants, or African-Americans. **David Beito** takes an in-depth look at five such organizations, the all-black Independent Order of St. Luke and the United Order of True Reformers, the white male Loyal Order of Moose, the all-female Ladies of the Maccabees, and the male/female Security Benefit Association.¹⁸

He finds that while each had different memberships and different activities, all shared the same underlying value system that may be summed up in this statement from the SBA –

Its prime object is to promote the brotherhood of man, teach fidelity to home and loved ones, loyalty to country and respect of law. To

establish a system for the care of widows and orphans, the aged and disabled, and enable every worthy member to protect himself from the ills of life and make substantial provision through co-operation with our members, for those who are nearest and dearest.¹⁹

The orders tended to be non-sectarian, at least in the early days, and were strictly non-partisan politically. That didn't mean they shied away from social movements such as temperance and women's suffrage. The leaders of the Ladies of the Maccabees were also prominent leaders of feminism in the Nineteenth Century.²⁰ But they also encouraged their members in entrepreneurialism and learning financial and managerial skills.

In fact, most of the fraternal societies were extremely entrepreneurial. These five orders alone established orphanages, hospitals, banks, retail stores, old-age homes, schools, and newspapers. This was especially true for the black orders which felt their members were not well served by white businesses, but Beito also devotes an entire chapter to Mooseheart, a boarding school for the children of deceased Moose members. Opened in 1913, enrollment exceeded 1,000 children by 1921.²¹

Life Insurance and Medical Benefits

But by far, the main activity of the fraternal societies was the offering of life insurance. This was a natural outgrowth of the initial offering of death and funeral benefits that enabled members to avoid

the humiliation of a pauper's funeral.²² Life insurance was initially offered by the Ancient Order of United Workmen (AOUW) in 1868. Beito notes that AOUW originally offered it as an incidental benefit of membership. It guaranteed a death benefit of \$1,000 (later raised to \$2,000) paid for with a \$1.00 per capita assessment. It was so popular that membership in the organization rose to 450,000 by 1902.²³

This was quickly copied by many other orders until, "By 1908 the 200 leading societies had paid well over \$1 billion in death benefits." Beito quotes from a 1910 article in *Everybody's Magazine* that fraternal societies had become "an enormous army (made up of) the middle-class workman, the salaried clerk, the farmer, the artisan, the country merchant, and the laborer." Beito reports that fraternal life insurance societies had 1.3 million members in 1890, and grew to 8.5 million by 1910, making for a substantial majority of the total membership in fraternal societies of 13 million. When combined with the membership in local lodges not included in the above numbers, Beito "conservatively estimates" that "one-third of all adult males over age nineteen were members in 1910."²⁴

Importantly, the value of life insurance was shared by all ethnic groups. A survey in Chicago in 1919 found that 93.8 percent of "wage-earning" black families owned a policy, as did 88.9 percent of Bohemians, 88.5 percent of Poles, 88.4 percent of Irish, and 85.2 percent of native whites. Not all of this was provided

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by fraternal societies. Commercial life insurance companies had jumped into the business, and at least two commercial companies, Prudential and Metropolitan, had evolved from fraternalists.²⁵

Those fraternal societies that did not follow the life insurance model tended to expand their sickness funds into medical benefits. They were particularly drawn to “lodge practice” medicine in which a local lodge would hire a physician (or several) to care for their members. Typically, each member paid \$2.00 per year and the lodge doctor would be their source of primary care. If they became seriously ill, they might engage a specialist on a fee-for-service basis. In some cases this fee covered only the lodge member, in others it included family members. In some cases medications and minor surgery was covered, in others it was not.²⁶

The benefit proved extremely popular and grew exponentially in just a few years after the turn of the century. The King County Medical Society (Seattle) estimated 15,000 people were covered in that area in 1906, compared to “only a few hundred” in 1899. Surveys in Pennsylvania found the numbers doubled from 1908 to 1912. Just three societies (Moose, Eagles, and Foresters) employed “several thousand doctors to look after the medical needs of a half-million members” in 1910.²⁷

PUSH BACK FROM ORGANIZED MEDICINE

Unfortunately, this movement ran

smack dab into a concentrated push by organized medicine to improve its fortunes by increasing its professionalism and reducing its numbers, thereby raising their income.

Around the turn of the century, the American Medical Association (AMA) began a drive to increase the professional reputations and incomes of its members. In 1901, it reorganized from a direct membership association into a confederation of state medical societies, which were in turn confederations of county societies. Any physician who wanted to belong to the county society automatically became a dues-paying member of the state society, and hence, a member of the AMA.

Physicians were motivated to join their county societies in part because the local societies agreed to defend member physicians from malpractice litigation and often could influence hospital privilege policies. The AMA’s efforts were astoundingly successful. In 1900, it represented only 8,000 of the 110,000 physicians practicing medicine in the United States. By 1910, it represented half the profession.²⁸

This new power enabled the AMA to aggressively strengthen professional licensing laws at the state level. It also began to take control of medical education by requiring standards of accreditation for medical schools, as recommended by the landmark Flexner Report in 1910.²⁹ These standards were built into state accreditation laws.

These efforts were remarkably successful. In a single generation, from 1900 to 1925, the number of medical schools was cut in half, as were the number of medical students. The impact on minorities and women was even more profound. African-American medical schools shrunk from seven to two, and women and Jews were largely excluded from medical education.³⁰ Most of the schools that survived were affiliated with hospitals and universities, and medical education became inseparable from hospital-based clinical training and research-oriented universities.³¹

The newly powerful voices of organized medicine went to work to end the practice of lodge medicine. They objected to the idea that common workmen could be their bosses and that competing for lodge contracts on an annual basis depressed their incomes. They decided to drum out lodge physicians from the profession. They were not subtle. The *Pennsylvania Medical Journal* editorialized in 1904 that, “the ‘club doctor’ must be shut out of the profession.”³² Beito writes—

No opprobrium was off limits in depiction of the lodge doctor. He was a ‘scab’ who broke ranks with professional solidarity, an incompetent ‘quack’ spewed out by a low-grade diploma mill, and most unforgivably, a ‘huckster’ bent on commercializing the noble art of medicine.³³

County medical societies were especially active in punishing such physicians, labeling them as unethical, depriving

them of membership, boycotting them, and often getting hospitals to deny admitting privileges.

Some fraternal societies challenged the restrictions as illegal restraint of trade, but this was in the midst of the Progressive Era, which was committed to a society in which a well-educated elite was entrusted to manage the affairs of the populace. Judges, being part of that elite, were unsympathetic to the pleadings of uneducated workers.³⁴

Insurance Industry Push Back

So, as in England, American physicians did what they could to terminate one of the primary benefits of fraternal society membership, low-cost medical services. Also as in England, the commercial insurance industry, having awoken to the market potential of life insurance, attacked the other primary benefit, low-cost life insurance. It’s easy to see why the commercial insurance companies were alarmed. Beito writes –

Societies attracted millions of Americans and posed stiff competition to the old-line (commercial) companies. A direct comparison of fraternal and old-line rates shows why. In 1896 the median annual assessment paid by members of the twenty-nine leading fraternal orders was just over \$10 per \$1,000 of insurance. An annual premium for a leading old-line policy of the same value, by contrast, was about \$20 for a man at age twenty-five and \$48 at age fifty.³⁵

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Senator John Dryden (R-NJ), founder of an insurance company, introduced legislation in 1904 that would have disallowed fraternal societies from using the U.S. Mail.

Here is an early example of “crony capitalism” or corporate rent-seeking. If a company is having trouble competing in the market, it goes to the legislature and gets them to use the force of government to hurt their competitors. This was true not only for commercial insurers versus fraternal societies, but for some of the older established fraternal societies versus the newer start-ups.

Some of the older societies were beginning to have problems paying benefits as their membership aged. They had to impose additional assessments on existing members, and they began to use aged-based rating rather than equal premiums for all their members. They began to push for state-level regulations in 1900 through what was known as the Force Bill. This bill exempted older societies but mandated that newer societies use age-based rating. It was adopted by seven states before the effort fizzled out.³⁶

On the federal side, Senator John Dryden (R-NJ), who was also the founder and president of the Prudential Insurance Company, introduced legislation in 1904 that would have disallowed fraternal societies from using the U.S. Mail. The bill didn’t go anywhere but it served as a warning shot about future efforts.³⁷

As the societies began to look more like insurance companies with age rating and accumulated reserves, state insurance commissioners began to push for oversight of their activities. There was initial resistance, but increasing numbers of the fraternal societies

decided it was better to have a seat at the table (to borrow from recent Obamacare negotiations) and help shape the new requirements than to fight it outright. By 1919 what was known as the New York Conference Law, which standardized the regulation of fraternal organizations including the rates and benefits offered and placed them under the control of state insurance commissioners, had been adopted in forty states.³⁸

At the same time there was a sustained campaign to enact Workman’s Compensation laws across the country. This campaign was strongly supported by employers who wanted protection from liability for workplace injuries, and the ability to better manage and predict the expense of industrial accidents. The first law requiring companies to provide workers’ compensation was passed in 1902, and by 1921 all but six states had enacted similar legislation.³⁹ This, too, was a blow to fraternal societies, which had been cooperatively offering benefits to sick and injured workers for many years.

THE PUSH FOR COMPULSORY HEALTH INSURANCE

The self-help, self-governing fraternal societies, male and female, white, black, and immigrant, were being undermined at every turn. The medical elite attacked their provision of medical care, the insurance regulators and commercial insurance companies came after their provision of life insurance benefits, and the sickness benefits were eroded by

Workers' compensation laws.

These developments were all the outcome of the "Progressive Era," which saw little merit in self-help, preferring state benevolence managed by a bureaucratic elite. But the Progressive movement wasn't done. One leader, in explaining his support of a compulsory health insurance program said in 1916, "Democracy is the progress of all, through all, under the leadership of the wisest"⁴⁰ – a sentiment shared by most of the educated elites of today.

When Great Britain enacted its compulsory insurance law in 1911, it tried to incorporate a role for the friendly societies, and in fact was trying to extend the benefits of friendly society membership to the rest of the working class. American Progressives had no such sentimentality and wanted to ban fraternal involvement. They much preferred the German model of exclusive reliance on the State. One report of the Progressive Party stated, "These lodges have a further defect from a patriotic standpoint, in that they form centers of association for the different foreign nationalities instead of creating through a strong local sick fund, a nucleus for loyalty to the state."⁴¹

Ultimately, the proposal failed. It was the brain-child of the American Association for Labor Legislation (AALL), but organized labor was divided. The American Federation of Labor (AFL) opposed it thinking they could do better at the bargaining table. Organized medicine was also divided at first, but

increasingly hostile when they realized it would double down on the most objectionable aspects of lodge medicine – low pay and supervision by laymen. And, of course, the fraternal societies were vehemently opposed. The bill was defeated in the first fifteen states that considered it. (This was strictly a state-based effort. The idea of federal action in this area was unthinkable at the time.)

Finally, California held a referendum on the proposal in November of 1918. California had a progressive governor and proponents lined up the support of the state medical society, the president of Stanford University, the state Federation of Labor, and even former President Theodore Roosevelt. But for all of that, the measure was defeated nearly three-to-one by a vote of 358,324 to 133,858.⁴²

Beito's discussion of this movement provides an interesting comparison to the more recent debate over Obamacare, especially with the current interest in "libertarian populism." He quotes extensively from the publication *Fraternal Monitor* –

... the *Fraternal Monitor* warned, the AALL was primarily an organization of 'social reformers and college professors.' Support of compulsory insurance by 'professional social workers' was not only paternalistic but demonstrated their need to 'make a noise in order to earn their salaries.' The *Monitor* clearly did not share the fascination with professional expertise that was so prevalent during the Progressive Era: 'Theorists in

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Unlike today, ethnic societies directly owned and operated their own hospitals, including two Latino facilities in Tampa, Florida.

the classroom have produced few measures of practical progress. The application of their doctrines usually has led to oppression and bloodshed.' The editorial concluded that the academics and reformers in the AALL subscribed to the elitist notion that people of 'superior intelligence should do something for the lower class.'⁴³

Interestingly, one of the leaders of the California effort to enact this law largely agreed. Isaac Rubinow reflected on the experience in 1934, saying, "And who was for it? An energetic, largely self-appointed group... which carried with it the profession of social work, to some extent the university teaching groups, the economics and social sciences, and even the political progressive organizations, but very little support beyond these narrow confines."⁴⁴

MOVING INTO HOSPITAL CARE

Fraternal societies were resilient. They had beaten back the proposals for compulsory health insurance, but were still handcuffed by the medical resistance to lodge medicine, the regulations on their life insurance offerings, and the advent of Workers Compensation laws. Their next move was to focus on hospital care.

The Women's Benefit Association never had lodge physicians. Instead it had endowed beds in hospitals for the use of its indigent members. By 1919 it had contracts with 87 hospitals in thirty states, but defining who did and

didn't qualify for services was difficult. Eventually it moved toward outpatient clinics and disease prevention for all its members. By 1931 it was operating thirty-six such clinics in seventeen states.⁴⁵

Unlike today, ethnic societies directly owned and operated their own hospitals. Beito mentions two Latino facilities in Tampa, Florida, aimed mostly at cigar workers, but also French and German societies in San Francisco and Los Angeles.⁴⁶

But the most ambitious effort was launched by the Security Benefit Association (SBA) in Topeka, Kansas. This facility was free to members who were enrolled in the organization's life insurance program. The original facility had 40 beds and two operating rooms. From 1925 to 1928 it served 5,246 patients from twenty states, which prompted the building of a larger facility in 1930. The new hospital had 250 beds in two wings and was considered one of the best hospitals in Kansas.

But it was overbuilt for the need and expensive to operate. The emphasis on this facility weakened the SBA's appeal to members outside of Kansas and Missouri, as did the growing assessments on members to cover the costs. Hostility from organized medicine took a toll as well. Both the American College of Surgeons and the American Medical Association refused to approve the facility because it violated their ban on advertising. The hospital's advertising consisted mostly of newsletters and fliers

going out to SBA members, but the AMA was adamant.

The fatal blow to mutual aid hospitals was the rise of employer-sponsored health insurance and third-party payment such as Blue Cross Blue Shield. While employer-sponsored health insurance was tax-exempt, Beito writes, “Members of groups such as the SBA were the losers because they had purchased policies on an individual rather than a group basis. They could not deduct their dues from their taxable income.”

The pressure became insurmountable and SBA converted to a mutual insurance company, the Security Benefit Life Company, in 1950 and the hospital closed in 1954.⁴⁷

Other fraternal hospitals experienced a similar fate – growing regulatory interference and in some cases outright governmental preference for hospitals that were members of the American Hospital Association.

Black Hospitals During the Jim Crow Era

How well-intentioned regulations helped destroy these hospitals is starkly illustrated in Beito’s discussion of a couple of facilities in the Mississippi delta. These were established by black fraternal societies and were indispensable to African Americans in an era of Jim Crow and state-mandated segregation. By 1931 there were nine such hospitals in the South, and a scattering of others throughout the country.⁴⁸

The delta hospitals were both located in Mound Bayou, Mississippi, a town run by African Americans. One was established by the International Order of Twelve Knights and the Daughters of Tabor, the other by a group that broke off from that society, the United Order of Friendship of America. These groups were solidly in the self-help, self-improvement tradition of all fraternal organizations. The Knights/Tabor group dedicated itself to, “Christianity, education, morality and temperance and the art of governing, self-reliance, and true manhood and womanhood.”⁴⁹ In addition to running hospitals mostly aimed at black sharecroppers and farm workers, the two orders also were very active in the civil rights movement.

The hospitals were ultimately done in by intrusive government. First was the Hill-Burton Act of 1946, intended to support hospital construction and expansion to serve the new families being formed at the end of World War Two. Hill-Burton provided \$3.7 billion in federal funding for hospital construction, which was matched by another \$9.1 billion in state and local funds. These funds were aimed entirely at inpatient facilities, bypassing other models of care such as neighborhood clinics, physician offices, or visiting nurse programs.⁵⁰

But the Act disqualified facilities that were aimed at a single race while allowing funding of segregated facilities. So black hospitals received no funds while predominantly white, but segregated, facilities got all the funding.

The fatal blow to mutual aid hospitals was the rise of employer-sponsored health insurance and third-party payment.

“The rapid inflow of federal money dampened the community’s old habits of medical mutual aid and self-help.”

This disparity was compounded by increasing regulatory burdens, the growth of third-party payment, and ironically, by the Office of Economic Opportunity (OEO) – a major component of President Johnson’s “war on poverty.” OEO helped pay for Tufts University to establish a clinic in Mound Bayou to compete directly with the black hospitals in the town. In 1967, OEO bought the hospitals, merged them, and ran them directly as federal programs. Beito writes, “The rapid inflow of federal money dampened the community’s old habits of medical mutual aid and self-help.” There was no longer any reason to belong to the fraternal societies, and they collapsed.⁵¹

FROM MUTUAL AID TO CHARITY

The ideas that fueled the rise of fraternalism in America – mutual aid and self-help – had come under brutal attack in the Progressive Era, and the progressives dominated in the Twentieth Century. Beito writes –

The traditional fraternal worldview was under attack. Age-old virtues such as mutual aid, character building, self-restraint, thrift, and self-help, once taken for granted, came under fire either as outmoded or as drastically in need of modification.⁵²

It wasn’t just that such values were boring and old-fashioned, but that their existence undermined the necessity of the State as the center of gravity in a modern society. Ideas such as thrift were

pernicious to an economy that relied on consumer spending for growth. The more one saved, the less one spent. Similarly with loyalty: loyalty to one’s neighbors and coworkers interfered with loyalty to the State.

Increasingly, the virtues of mutual aid and self-help were replaced with newer virtues of charity and service. This spawned a new type of civic organization – the service club, including Rotary International, Lions International, and Kiwanis International.⁵³ It is interesting that all three viewed themselves as “international” rather than American organizations. These groups were aimed, not at common working men, but local businessmen and professionals.

Fraternal organizations could not escape the new social imperative of service to others, rather than what some saw as crass and self-serving mutual aid. Plus, the growing welfare state made the services provided by fraternal societies less essential. Retirement security was being provided by Social Security, medical benefits by employer health plans, loss of wages due to injuries by Workers Compensation, and life insurance by a host of commercial life insurance companies. Even orphanages were being replaced by state foster care programs.

THE IMPACT OF ORGANIZED LABOR

The tension between fraternal societies and the Progressive movement could also be seen in the differences and similarities

between the Fraternal and labor unions.

Labor was trying to appeal to many of the same workers and used many of the same structures and terminology. The American Federation of Labor (AFL) was aimed at skilled craftsmen and artisans, while the Congress of Industrial Organizations (CIO) targeted unskilled assembly line workers and laborers. Labor was organized very much like Fraternal lodges with Locals running Union Halls and regular members were elevated to positions of authority within the organizations. Members called each other “brother,” and some virtues like solidarity were considered sacred.

There were even some elements of mutual aid, such as in 1915 when the AFL declared a “national hatters day” in support of the Danbury, Connecticut Hatters Union, which had been fined \$250,000 for supporting an illegal boycott. Union members across the country were asked to contribute one hour’s wages to help pay off the fine.⁵⁴

The fraternal societies did not share Labor’s antagonism to employers, nor the expectation that collective bargaining was the way to secure benefits. They were much more in a “do-it-yourself” mode of thinking and wanted to cooperate across income groups. There was no sense of class struggle within the fraternal movement.

But both sectors shared one other common trait – the growth of government diminished the need for both. We have already discussed how government

undermined the benefits of fraternal organizations. In the case of labor, minimum wage laws, OSHA regulations, Workers’ compensation, unemployment insurance, wage and hour regulations, and other regulations of the work place made unions ever less relevant to working people.

TODAY’S FRATERNAL SOCIETIES

Increasingly, fraternal societies focused on either their own charitable activities or “convivial” social activities or some combination of the two. Membership remains robust. In fact, the number of lodges grew from 42,669 in 1987 to 43,282 in 1996, and the Eagles, Elks, and Moose all had memberships exceeding one million (the Moose had 1.7 million.)⁵⁵

A study by **Phillip L. Swagel** in 2010 estimated that the two largest societies in the United States, the Knights of Columbus and Thrivent Financial for Lutherans, alone provide \$1.8 billion in direct charitable giving and volunteer activities, and “\$1.6 billion in indirect value of improved social capital brought about through the activities of fraternal benefit society members.”⁵⁶

Immigrant and Denominational Societies

This raises an issue not well-discussed in Beito’s book – the role of denominational fraternal associations. Beito avoided dealing with immigrant associations in large part because he used original source material and said he was unable

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Today, Thrivent Financial is the largest fraternal benefit society in the United States with 2.6 million members.

to translate the original documents of immigrant societies from their native languages. But some of the strongest fraternal organizations today are affiliated with specific church denominations, which often had their origins in the various waves of immigration to the United States.

The Knights of Columbus was first organized in New Haven, Connecticut in 1882 among Irish immigrants. Its mission was only partly providing mutual aid to its members. Probably more important was coping with widespread anti-Catholic sentiment in the country. Like other fraternal organizations, it emphasized, “the virtues of loyalty, charity, courtesy and modesty, as well as ‘self-denial and careful respect for the feelings of others.’ Fraternity and patriotism were added to the Knights’ founding principles of charity and unity in 1885 and 1900, respectively.”⁵⁷

But the Knights were also more political than many of the other organizations, working against the anti-Catholic prejudice in both the U.S. and Mexico. It fought against a law enacted in Oregon prohibiting private schools for children under the age of 16, and resisted the anti-clerical activities of the Mexican revolution, which included the appropriation of large amounts of church-owned land and the execution or exile of priests. But providing life insurance coverage for its members was always a key benefit for the organization. Today, Knights of Columbus has \$86 billion of life insurance in force.

Thrivent Financial for Lutherans is a recent merger of two Lutheran mutual aid organizations, Aid Association for Lutherans that was started by German immigrants in Appleton, Wisconsin in 1902, and the Lutheran Brotherhood that was begun by Norwegians in St. Paul, Minnesota in 1917.⁵⁸ Today, Thrivent Financial is the largest fraternal benefit society in the United States with 2.6 million members. In 2004, it was listed as number 284 in Fortune Magazine’s Fortune 500 list.

These organizations are not unique. The Everence Association (formerly Mennonite Mutual Aid) was formed in 1945 to serve Anabaptist communities with direct mutual aid and charitable activities.⁵⁹

These three organizations are all represented on the Board of Directors of the American Fraternal Association (AFA) along with the Catholic Order of Foresters, and Catholic Financial Life. Non-Denominational members include GBU Financial Life (formerly German Benefit Union, based in Pennsylvania), Modern Woodmen of America, Foresters, Woodmen of the World, Equitable Reserve Association, and the Western Fraternal Life Association.⁶⁰ These are not small organizations. Modern Woodmen, for example, has 773,000 members, employs 450 people in its home office in Rock Island, Illinois, and has \$12.4 billion in assets and \$35 billion of life insurance in force.⁶¹

Notice that the Moose, Eagles, and Elks are not represented, and are not

members of the AFA. There appears to be a sharp distinction today between orders that are primarily social and those that are more dedicated to financial benefits and charitable service.

A NEW WAVE?

In recent years an entirely new phenomenon has appeared. These are the Christian Health Care Sharing Ministries. They are certainly self-help and mutual aid, but they are nothing like the old fraternal societies. They reject any insurance model for what they do. Members do not pay premiums and they do not receive benefits. Instead, they commit to helping one another with medical expenses through voluntary direct giving.

Members with medical needs collect their itemized bills and submit them to the ministry. The ministry notifies its members that this person needs a certain amount of money to pay her medical bills. People send a check for the allocated amount directly to the person in need. Importantly, the members also pray for the one in need and send letters of encouragement. The entire process is voluntary.

There are currently four major such ministries –

- Christian Healthcare Ministries, founded in 1982 – <http://www.chministries.org/>
- Christian Care Ministry (Medi-Share) founded in 1993 – <http://mychristian-care.org/medi-share/>

- Liberty Health Share, founded in 1990 – <http://www.libertyhealthshare.org/>
- Samaritan Ministries, founded in 1994 – <http://samaritanministries.org/>

People with medical needs may go to any health care provider they choose; there are no networks. And the price of the service and the payment of the bill are strictly between the doctor and the patient. The ministry does not second-guess that relationship.

While these ministries are not “fraternal associations” as defined by state and federal governments, they do share the traditional emphasis of virtuous behavior of the members, and go well beyond the traditional admonitions. The criteria for joining the Christian Care Ministry (Medi-Share) is –

Must present a written Christian testimony indicating a personal relationship with Christ, abstain from illegal drugs, tobacco use and sex outside of marriage, and must not abuse legal drugs or alcohol.

And for Samaritan Ministries –

A born-again Christian, who affirms our statement of faith, regularly attends church, abstains from or moderately uses alcohol/drinks in careful moderation, abstains from illegal drugs, tobacco use and sex outside of marriage. A pastor must sign a statement confirming applicant’s qualifications.⁶²

Christian Health Care Sharing Ministries are nothing like the old fraternal societies. They commit to voluntary direct giving

Samaritan Ministries and Medi-Share currently share more than \$165 million per year among their 170,000 participants.

The Alliance for Health Care Sharing Ministries reports that its members, Samaritan Ministries and Medi-Share currently share more than \$180 million per year among their 240,000 participants. Twenty-eight states have specified that these organizations are not insurance.⁶³

People participating in these ministries are also exempt from the requirements of the Affordable Care Act (ACA or “Obamacare”). Thus far, per *Politico Pro* –

53 health-sharing groups have been certified by CMS as qualifying for the individual mandate exemption. Many are small churches with fewer than 100 members.⁶⁴

The ACA currently limits this exemption to organizations in existence since 1999, and has a very limited exception for other religious groups. Specifically, they must have also refused participation in Social Security and Medicare. This exempts the Amish, but not Muslims, even though Islam strictly forbids participation in insurance.⁶⁵

Obviously, like many other provisions of the ACA, this exemption was not well thought-through and is yet another reason the law is likely to be repealed or completely revised. Muslims, orthodox Jews, and many other believers as well as non-believers are likely to find the model of health care sharing very appealing in the future and may demand to be allowed to participate in the approach.

WHAT MIGHT THE FUTURE HOLD?

As David Green indicated earlier in this paper, fraternalism seems to emerge from “harsh reality.” People join together to help one another when the political and economic systems have failed them.

Today, we don’t see many stockbrokers, college professors, or Congressional staffers forming mutual aid associations. But factory workers in the early industrial age, blacks suffering under Jim Crow laws, persecuted Catholics and Jews, needed each other to survive. So do faithful Christians who do not want their premium dollars paying for abortion or sex change operations.

Today, many of the needy look to the State for help, rather than thinking in terms of mutual aid. But how long will that last? Reports from Greece, Italy and Spain suggest that reliance on generous governmental benefits is short-sighted at best. In the United States, over \$17 trillion in immediate debt and well over \$100 trillion, perhaps as much as \$200 trillion, according to Lawrence Kotlikoff,⁶⁶ in unfunded promises mean that sooner or later the promises will not be kept. It is possible that the economic/political system will eventually crash, the dollar will be worthless, and even basic services like police and fire protection will disappear.

Kevin Williamson argues in “The End is Near: And it’s Going to be Awesome,” that the unfunded obligations of the United States alone are “more than all the money

in the world – about twice that, in fact. It is about twice global GDP, and more than the value of all the assets in the world – from household items to real estate and stock portfolios – combined.” Other countries have similar, if smaller debts, and “there is no plausible scenario in which all these obligations are made good on.”⁶⁷

He says, “the historic challenge of our time is to anticipate as best we can the coming changes and to begin developing alternative institutions and social practices to ensure the continuation of a society that is humane, secure, free and prosperous.”⁶⁸ He rejects any idea that a political solution is possible – such approaches “fail because they attempt to substitute a single brain, or a relatively small panel of brains organized into a bureaucracy, for the collective firepower of millions or billions of people. Put simply, they attempt to manage systems that are too complex for them to understand.”

More importantly, we are sinking deeply into a narcissistic culture that places little value on even delayed gratification, let alone service to others. As the Founders knew well, a free society cannot survive without virtue, and the principles of virtue are absent from our schools, and even many of our families. Young adults continue to rely on their parents for support well into their thirties. People graduate from school barely able to read and write. Marriage is becoming obsolete.

The New Harsh Realities

“Harsh reality” awaits us indeed. As the State fails, people will once again look to mutual aid and self-help for shelter from the storms. There is no other choice. The old style of fraternal organization, with its silly rituals, handshakes, and costumes may be long gone. But the principles of thrift, civility, charity, modesty, and self-reliance are never out of date, and new mutual aid organizations will emerge to get us through the hard times.

Williamson is impressed by the Christian health sharing ministries mentioned above but sees them as rudimentary. He writes –

The Christian health-sharing ministries are not nearly as financially or technologically sophisticated as they should be, but they are a step in the right direction. Combining the distributed, peer-to-peer model of cooperation exemplified by Kickstarter and similar online ventures with the old-fashioned virtues of self-reliance and community cohesion exemplified by the fraternal insurance societies provides a promising model for replacing our dysfunctional health insurance system with something more humane, flexible, and efficient. And we have a tool available to us that the Masons and the Elks Lodge did not: Rigidly engineered modern actuarial practices can make cooperative insurance practices orders of magnitude more efficient than they were in the 1930s.⁶⁹

As the State fails, people will once again look to mutual aid and self-help for shelter from the storms. There is no other choice.

If the health care financing system collapses, there are still doctors and nurses and dentists to treat people. And there are still patients with money.

This seems like a pretty thin remedy for the crisis Williamson sees coming, especially if he thinks the outcome will be “awesome.” Let’s put some flesh on these bones.

Restoring a Cooperative Spirit

If the health care financing system collapses as Williamson predicts, which seems fairly likely at this stage of the Obamacare rollout, what happens next? There are still doctors and nurses and dentists who are skilled and available to treat people. And there are still patients with money (or its equivalent) in their pockets (some with more, others with less). I live in a small town (population of 5,000) in Pennsylvania and our community has all of these, plus a decent hospital. It is not hard to imagine that our little community would do just fine in such a collapse. People would pay cash to see a doctor. Those who have little money would pay in the form of services – housecleaning, yard work, auto repairs. For the truly destitute, of which we have some, the doctors and churches would pitch in to make sure needed care was provided.

Now, some of us might need services beyond the capacity of our local providers. What would we do then? Shop globally. *The New York Times* ran a recent article about a man who went to Belgium for a hip transplant.⁷⁰ It cost him just \$13,660 including airfare, doctor’s fees, and all medications, compared to “close to \$100,000 in the United States.” The article says, “The patient and the doctor settle on a price and by law must sign a contract

before surgery.” So both parties know in advance exactly what is to be done and how much it will cost.

Medical tourism is no longer focused just on India and Thailand. Europe is getting into it, as are the Bahamas, South America, and Pacific Rim countries. Even domestically, it is often far less expensive to get care in Buffalo than in New York City, according to the article, and there are services like MediBid⁷¹ that help patients find the best source of the procedure. The Surgery Center of Oklahoma is like the facility in Belgium, posting its all-inclusive fees on-line,⁷² which has prompted other facilities in the area to do the same.⁷³ Oklahoma City could soon become the “go-to” place for health care.

Such procedures can be easily financed with a credit card or a bank loan and paid for over time. Call it “post-payment” of health care, rather than the “pre-payment” used by insurance companies. Yes, the bank will charge interest on the loan, but paying 8% or even 10% interest is far more rational than paying the 15% or 20% “administrative load” assessed by current health insurance companies.

Obviously not everyone lives in small towns, but that is where social media and virtual communities come into the picture. It is easy enough today to set up such a community, especially of people with similar values. You don’t have to be a Christian to assemble a socially cohesive community. Like-minded people with shared values can be found among the artists in SoHo, the Latinos in East LA, the graduates of Ohio State University,

lobstermen in Maine, hog farmers in Iowa. Each group does not have to have the same values as the other groups. The essential ingredient, as was true of the fraternal societies, is a sense of loyalty and trust between the members of the community – a willingness to help each other through “harsh realities.”

Once you have assembled a group of 5,000 or 50,000 or 500,000 like-minded people you can bet there will be medical professionals who would be happy to provide services to your group. And, when combined with services like MediBid, users would find an entire world of health care potential opened up to them.

Such a system would have the distinct advantage of substantially reducing costs as well. The expectation would be that the patient pays cash at the time of service. How the patient gets the money is of no concern to the provider of the service. This means the provider presents the bill, the patient looks it over to make sure it is consistent with the contract, and pays the bill with a check or a credit card. The administrative cost to the provider is minimal and the reduced overhead is reflected in the fee.

What about regulatory obstacles?

To date, it is still legal for me to give you money, and it is still legal for you to pay someone for performing a service for you, even a medical service. These transactions are not restricted, not regulated, though there may be some tax consequences. And none of this

would exempt you from the Obamacare mandate to buy an insurance plan, unless you qualify for a regulatory exception similar to what the Christian sharing ministries received. But the ACA’s individual mandate is unenforceable anyway. The only penalty is the IRS seizure of tax refunds. People who are paying attention will realize it is foolish to overpay their taxes during the course of a year, essentially giving the federal government an interest-free loan, in the hope of getting a refund sometime next year.

So there does not appear to be any effective prohibition on foregoing insurance in favor of paying cash at the time of service. And there is no prohibition on asking other people with whom you share a connection to help you pay for that service with a voluntary contribution.

CONCLUSION

“Awesome” may be overstating what this new world might look like, but we could return to (or more accurately, progress to) a society of self-reliance and shared values. And in health care we could progress to a system of direct accountability without the interference of third parties. Physicians, hospitals and other caregivers would compete for our business on the basis of cost, convenience and quality (i.e. “value”) – true value as valued by the patient, not as defined by the State. New ways of providing care could pop up without being shackled by the restrictions of managed care payment

Once you have assembled a group of 5,000 or 50,000 or 500,000 like-minded people, there will be medical professionals who would be happy to provide services.

systems, price controls and government-issued or health plan-dictated treatment protocols.

Admittedly, it would be a painful transition, but given the unsustainable promises that have been made, the pain is likely to start well before the transition begins. In fact, the transition will be a response to the pain inflicted on the American people when the government finally discovers it cannot provide the benefits it has promised. The Progressive era will likely come to an end and we will rediscover the virtues David Green discussed earlier in this paper – “Good character, honesty, duty, self-sacrifice, honour, service, self-discipline, toleration, respect, justice, self-improvement, trust, civility, fortitude, courage, integrity, diligence, patriotism, consideration for others, thrift and reverence.”

These virtues will come together in new forms of organizations made up of people who care for and about one another. This is also known as love, and love is the one quality no form of coercive government has ever managed to embody.

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