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## **Mayhem in the Town Hall -- Democracy on the line**

Last month, we talked about California's travails and how they have taught us something about the workings of democracy. This month's news on the health care debates might do the same.

First, recall when our Constitution was being considered for adoption. The document had been drafted in Independence Hall in Philadelphia from May to September, 1787. Debate took place in complete secrecy; during a hot summer, the windows were sealed shut lest passers-by overhear the discussions. The drafters were a group of men whose "sole purpose" had been to revise the Articles of Confederation. The resulting document, which abandoned the Articles in favor of a vastly different form of government, was then submitted to the states on a take it or leave it basis.

What followed was probably the most important debate on our future that our country has ever had. How that debate was conducted offers an interesting lesson for our contemporary political discourse.

Almost immediately, opposition to the new constitution was heard in newspaper essays published in New York in September and October, 1787. Quickly, the proponents mobilized their own essay campaign, which eventually comprised the 85 *Federalist Papers*, written by Alexander Hamilton, James Madison and John Jay. Those writings became a handbook of talking points for supporters in most other states. The debate was bitter and intense, but it remained a debate and it was focused on the issues presented by the document. In the end, within ten months eleven states had ratified the Constitution (nine were required). The *Federalist Papers* remain a classic example of reasoned analysis that continues to guide our nation.

Compare this history with what is going on today as the Congress considers changes to our health care system. This is not an easy task under the best of circumstances. Health care costs are running out of control and have been for years. (It is well-known that we spend more per capita than any other country on health care; it is not so well known that *our government* spends more than every major country except Norway.) A large portion of our population has no insurance, thus driving up costs for everyone else. Our systems of health care for seniors and the disadvantaged are financially unsustainable.

The results produced by our health care system are disappointing. Our life expectancies are the lowest of the western and central European countries, plus Australia, Canada, Japan, Korea, Singapore and Israel. Our infant mortality is the highest among those countries. More shocking, our death rate for children under 5 is also the highest.

These numbers suggest that something needs to be done, and there is general agreement on that. The question is what? It isn't rocket science to conclude that the remedy for our health care ills will require a good deal of thinking, a good deal of complexity and a good deal of compromise. In many respects, the problem is similar to what the Founding Fathers confronted in 1787 – complicated, requiring brain power and demanding concessions on all sides. What we can't afford is irrationality and phantom bogeymen.

Yet, that seems to be what we have. Seeking a modern equivalent to the debates of 1787-1788, a large number of congressmen have convened “town hall” meetings to discuss health care reform. But rather than forums for discussion, many of these have become scenes of chaos, as partisans scream and yell, drowning out discussion of the pros and cons of proposals on the table. Opponents are vilified as immoral – one man spat out at a Senator, “One day, God's going to stand before you and judge you and the rest of your damned cronies... And then you'll get your just deserts.” Protesters carry placards showing the President with Hitler's moustache. Outrage has stretched to reckless charges that the Congress intends to enact so-called “death panels” to “pull the plug on Granny.”

What would the Founding Fathers make of all this? It is likely, if not certain, that they would be shaken in their hope that their experiment in democracy would come to a good end. They knew well that rabble-rousing is the enemy of democratic government, that, even in the rough and tumble of politics, rational discourse was the only hope for progress. We lose sight of that principle at peril to our democracy.

Here are the cost data for this month:

- Scrap and Pig Iron. The prices for #1 dealer bundles and #1 busheling (Chicago) continued their upward climb this month, to \$305 and \$315 per mt respectively. The spot price for Brazilian pig iron (cif New Orleans) was also up again, this month to \$320 per mt. These increases may be more evidence to support reports that worldwide recession may be easing or even turning around.
- Natural Gas. For the first time in months, the Nymex price for natural gas was up significantly (over 11%) to \$3.61 per mcf. Another sign of quickening economic activity?
- Ocean Freight. The Baltic Capesize Index declined to 4531 from last month's 6104.

- Exchange Rates. The dollar has stabilized. The euro is at \$1.41, down a penny; the pound is at \$1.66, unchanged; and the Canadian dollar is at 91¢, also off a penny.

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