## **ECONOMICS, LABOR & BUSINESS**

strength by imposing protective tariffs and a gold-based currency (which hastened capital shortages) and by cracking down on political foes were carried on by his successors until Hitler's day. Bismarck also ordered the government to horde gold in anticipation of military emergencies, further restricting credit.

Meanwhile, Japan's military spending and, later, its war with China touched off persistent inflation. Rather than cut the military budget, Japanese leaders chose a government strategy similar to Bismarck's. Their policies plunged the country into stagnation during the 1920s and '30s and, finally, helped produce the desperate militarism that led to Pearl Harbor.

Why Not the Very Best?

"Why Health Care Costs Will Continue to Rise" by Kevin F. Hickey, in *Journal of Contemporary Business* (vol. 9, no. 4, 1980), Graduate School of Business Administration, Univ. of Washington, Seattle, Wash. 98195.

Only two things in life are inevitable, mused Benjamin Franklin death and taxes. Americans can add escalating health-care costs to the list, says Hickey, who is special assistant to the president of the American Hospital Association. He blames the aging of the U.S. population and ever-rising patient demands for nothing short of the best.

Americans spent more than \$212 billion on health care in 1979—a 12.5 percent increase over 1978. This was nine percent of the gross national product. The federal government picked up the tab for 43 percent of the total, with the rest split almost evenly between private insurers and individuals. Some economists expect the total figure for 1990 to top \$750 billion, or \$3,057 per American.

Hospital costs (at \$85 billion, the biggest item on the health bill) have been soaring 13 to 14 percent annually. Payroll expenses accounted for nearly half of these increases between 1975 and 1979. And doctors' services cost Americans \$40.6 billion in 1979, a 13.4 percent jump over 1978. Meanwhile, hospitals' supply bills have grown by half since 1976; only two-thirds of this spurt is due to inflation.

Demographic changes explain some of the increases. Senior citizens consume three times the amount of inpatient care, and remain in hospitals twice as long per visit, as do patients under 65. During the next 35 years, the elderly's share of hospital days will increase from 37 percent to more than 50 percent.

But, Hickey argues, most medical inflation stems from consumer pressures. With 90 percent of the average hospital bill covered by public or private medical plans, more and more Americans insist on the "best possible" health care. Even community hospitals, once the medical sector's "cottage industries," offer sophisticated services such as cardiac units. In Michigan, for instance, such facilities were once limited to the large University of Michigan hospital. Today, they are available at many locations in the state.

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Most efforts to restrain health-care costs have focused on the "supply side" (such as former President Carter's proposal to put a ceiling on medical costs). But health-care demand is finally starting to receive attention. Coalitions of doctors, patients, and insurers organized at Washington's behest beginning in 1977 helped save an estimated \$3.2 billion in 1978–79, mainly by convincing doctors and patients to pass up unnecessary treatment.

## SOCIETY

## All in the Family

"Household and Kinship: Ryton in the Late 16th and Early 17th Centuries" by Miranda Chaytor, in *History Workshop* (Autumn 1980), P.O. Box 69, Oxford, OX2 7XA, United Kingdom.

Much of the historical evidence for the "naturalness" of the nuclear family comes from the unusually copious census and legal records kept in preindustrial England. Most scholars believe that, while hardship and death broke up many families and forced the formation of "extended" households (including relatives other than the husband, wife, and unmarried children), the extra kinfolk were treated as "second class citizens." Chaytor, a British feminist, argues that family structure was far more complex.

The author studied families in late 16th- and early 17th-century Ryton, a parish southeast of the Scottish border. Though densely settled, Ryton's farm land was poor, and many residents had to scrounge for a living digging coal and cutting timber. Worse, four successive crop failures, cattle sickness, and an outbreak of plague in the 1590s turned Ryton into a "society of widows, orphans, and step-children." Nearly one-fifth of the parish's families were "extended."

Women sought providers, and men needed full-time servants. Together, they formed complex households containing foster children, stepchildren, their own offspring, and, frequently, married sons and daughters. These households regularly drew on the material and human resources of relatives—borrowing money, land, and nieces and nephews for domestic labor. Pressed by high mortality rates and poverty, Chaytor writes, "the distinction between conjugal unit and wider kinship was virtually eroded."

The French household was a case in point. In 1587, widower Robert French, father of three, married Dorothy Foggett. By the time they died, in 1596, they had four children of their own, and Robert's eldest son by his first wife had married and moved into the household with his bride (probably Dorothy's sister). The married son advanced to household head, and his wife raised the surviving orphans. They all shared income with more distant relatives—as records of their debts and credits show.

Ryton's misfortunes produced an unusually high number of extended

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