

IMPRIMIS

"Why 'Good Government' Isn't Enough"

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Preview: Why, despite all our efforts to reform Congress, control spending, reduce taxes and pay off the national debt, are we in worse shape than ever? Alan Keyes argues that we have relied too much on politicians and too little on our own initiative.

We need to restore stringent limits on Washington, D. C. Two hundred years ago, the Founders knew that government was a threat to liberty. Prophetically, they warned future generations not to grow too dependent on it.

Ambassador Keyes spoke at Shavano Institute for National Leadership seminars last May in Cincinnati, Ohio and this month in Pebble Beach, California. 7b order audio or video tapes, please call 1-517-439-1524, ext. 2319.

The national debt reached three trillion dollars in March of 1990. But that wasn't all of the bad news: experts predicted that within five months it would pass the three and a half trillion mark. Think about that for a moment: It took the entire history of our nation—over two centuries—for the debt to reach three trillion dollars and five months later we were told we could expect an increase of another half trillion. In 1992, the debt will reach four trillion dollars.

How the Debt Adds Up: A Billion Here, a Billion There

eye? Well, that is our national debt. It is well past the shimmering stage, and it is streaking out of sight. Americans have every right to be frightened and angry about this. The debt is not an abstraction. It is real, just like a rocket. But our politicians have been dealing with big numbers for so long that they seem to have forgotten. It is nothing for them to routinely round off numbers to the nearest million or billion dollars.

I know this from personal experience. I once had a lowly position at the State Department as assistant secretary for international organizations. My office dealt with the U.S. contribution to the United Nations and, as this amounted to something less than a billion dollars a year, it was regarded as a drop in the bucket. We simply did not enter upon the radar screen of serious government. Nonetheless, the higher-ups tried to make it easy, so by the time budget and accounting memos got to us, thousands of dollars and very often tens of thousands of dollars would have disappeared from sight in the rounding-off process.

This is the rule for virtually all federal agencies and departments. Collectively, they deal every day in hundreds of billions of dollars. So they are not rounding off just thousands and tens of thousands; they are rounding off tens of billions of dollars. The people in individual offices who are making budget decisions never see the missing figures, and in truth they never think about them much.

In this context it becomes very easy to forget that a "hundred" in the memo you're reading represents a hundred million. Why, that's not even one billion, you might say once you had been in Washington awhile. You get into that

habit. And it is a habit that reveals a great deal about the transformation that takes place when an individual spends a lot of time working in and around the federal government.

But most voters think, "Ah, if only we could send really good people to Washington, they won't develop those habits. And then, finally, we'll have good government." It is true that sending good people to Washington is essential to good government. I do not for one moment want to minimize the importance of this. But neither good people nor "good government" are enough. We send good people to Washington all the time, and they hail from every state in the Union. They are competent, successful people loaded with integrity, courage and common sense (at least before they get to our nation's capital). We have even had "good government" as it is defined by those *in* government. Why, then, is Washington such a mess?

Out-of-Control Spending and Entitlements

One obvious reason is the sheer size of the federal budget. In January of 1992, President Bush unveiled his proposed budget for the 1993 fiscal year. As the *Wall Street Journal* noted, the Democrats in Congress pronounced it "dead on arrival." It was just too low. What was low to them? The total (rounded, of course, to the nearest hundred million dollars) was \$1,516,700,000,000—one trillion, five hundred sixteen billion, seven hundred million dollars. That is more than 25 percent of the nation's GNP.

And what about off-budget entitlements, the monies the federal government is already committed to spend but that the public never hears about? These amount to \$4-6 trillion in civil and military pensions, Social Security payments and other unfunded liabilities.

Regulation and Taxes: The Power to Destroy

But that is not all. Government regulation is another kind of hidden expenditure that never shows up in any proposed budget. The National Chamber Foundation reported in mid-1992 that regulatory costs passed along to the consumer in the form of higher prices total \$400 billion each year, or an average of \$4000 per household.

As if that weren't enough, direct taxation, added to Social Security payroll deductions for employers and employees, is now a staggering 52-60 percent of the GNP. These figures were virtually ensured in 1990 when President Bush retreated from his personal tax pledge and cooperated with Congress to pass a so-called "deficit reduction package." The price was \$200 billion (to date) in new tax increases. The outraged American public was assured that these would be solely devoted to reducing the deficit and that there would be significant spending cuts at all levels.

But many people were skeptical. I, for one, wrote at the time that the more we heard them talk about deficit reduction in Washington, the less of it we should expect to see. Words are a distraction from deeds in Washington. And the skepticism proved to be well founded. Congress slid out from under the Gramm Rudman deficit reduction law and ever since has been producing the largest deficits in American history: \$280 billion in 1991 and \$400 billion in 1992.

One of the interesting sidebars to this story involves the "luxury tax" which was a minor part of the deficit reduction package. This new tax ended up literally crippling the boat-building industry. It also led to massive layoffs, putting more than thirty thousand people on the unemployment rolls, and adversely affected dozens of other related industries. Ironically, the luxury tax proved to cost more money than it raised in tax revenues. It should remind us that the power to tax is the power to destroy.

Government Waste

Then there is the huge problem of government waste. In 1990, the Comptroller General of the General Accounting Office estimated that the federal government wastes \$180 billion annually. At the time, this was enough money to fund the state budgets of forty-eight out of the fifty states. And, since the GAO only watches what Congress tells it to watch, we can only imagine the waste that goes unreported.

Here is one example uncovered by Citizens Against Government Waste. The U.S. Navy regularly sinks old ships in its artificial-reef-and-sink program. Thousands of items are left on board, from mattresses, pots and pans to heavy equipment and machinery. A congressman wrote to the Navy Department sensibly pointing out that these could be salvaged. The Navy replied loftily that the \$57 million involved didn't

justify the effort. It makes you wonder: What amount would justify the effort? A hundred million dollars?

Apparently not at the Defense Department's Logistics Agency, which spent \$250 million putting in an elaborate computer system that was supposed to help it keep track of its purchases and prevent it from acquiring unneeded inventory. But, according to a GAO survey, it ended up purchasing \$3.5 billion in unneeded inventory anyway, including a thirty-three year supply of size 12 women's blouses. (We couldn't have begun to use up that supply of blouses even if all of the service personnel that we had sent to the Persian Gulf had been women who wore size 12.)

It's Our Money

This kind of story seems pretty funny, until you remember whose money is going to waste. I was doing a radio interview recently when a listener called in to complain about the savings and loan scandal. He went on for five minutes about what an awful travesty it was. Every now and again I would mutter encouragingly so that he would realize that I was a receptive audience. Finally, he concluded by saying that the one thing he really didn't understand was why "we, the American taxpayers, have to foot the bill. Why don't we just let government do it?"

It's our money, whether it is tens of billions that will be spent on bailing out savings and loans, or \$57 million wasted by the Navy, or \$3.5 billion in unneeded Defense Department inventory. But we—and those good people we keep on sending to Washington—have made the same mistake as the radio caller. Time and time again, we have been content to "let the government do it"

Think about what our money is. Our money is our children's education. It is the roof over our heads. It is the ability to think ahead to years into the future, to plan what we might do, for ourselves, our children, our community and our nation. It allows us to feel both the burden and the privilege of responsibility. Our money is the basis of our ability to translate our will, our choices and our values into action. In a real sense, it is the foundation of self government and of a free society. And the more that our money is removed from our control, the less responsibility we exercise, the less freedom we enjoy.

It is not that we send bad people to Washington who are doing bad things. True, there are some who are abusing their positions, but most are simply using them in

ways that come perfectly naturally. We put them in a system where success depends not upon the results produced but upon how much money is controlled and how many people are commanded, so we shouldn't be surprised that their greatest interest in life is controlling more money and commanding more people.

Nor should we be surprised that they help maintain the very network of political and bureaucratic patronage that they were elected to fight. They try their hardest not to roll back big government, but to "make it work." In short, our congressmen and senators are no longer our representatives; they are sales agents for "good government," i.e., government with ever-expanding power over the lives of you and me and our children.

The Flawed Nature of Government

The disjunction of interest between us and the people we send to Washington doesn't arise because of one particular circumstance. It has become endemic to the system. Even if all the problems I have outlined were solved, we still cannot elect good people, send them off to Washington and expect them to do good things for us.

America's Founders warned as much. At the Constitutional Convention in 1787, annual elections were seriously considered as one possible method of keeping a tight

rein on the nation's representatives, and at the time most states handled their own elec-

tions this way. The attitude was: "We must keep a constant and watchful eye on our representatives and curb the worst excesses of government." It was not: "Once we elect worthy public servants, we will trust them to do good things with government."

The Founders knew that, worthy public servants aside, government by nature tends toward excess. It is a necessary evil to provide for the common defense, to promote the general welfare, to do those things as President Lincoln later said that cannot be done by individuals and enterprises singly. There may be times when we have to use this instrument, just as doctors were once wont to include small amounts of arsenic in their prescriptions, but massive doses can be fatal.

And, whatever may be our good impulses as a people, those impulses alone are incapable of controlling the fundamental tendency of government toward excess and abuse. Contrary to what another President, Jimmy Carter, promised, we shall never have a government that is as good as its people, and we should never wish for one.

What is self government about, after all?

What is this society about? They certainly are not about producing a utopia through the instrument of the state. Even if government could produce all that it promises, we would not want those results on the terms they are offered. They are terms that require that we surrender a good that is more important than good results: our freedom to make choices. We should still have enough pride in ourselves as individuals and as a people to want to shape our own destiny.

The Return to Individual and Local Responsibility

As citizens empowered to govern ourselves we should also be willing to reassert our role on a community level. And it is high time we did so. In the course of the last fifty years there has not been one new local government incorporated in the United States. The life blood of this system is drying up.

When Alexis de Tocqueville wrote about America in the 1830s, he tried to explain what he thought was responsible for its astounding success. One of the key factors he pointed to was the vitality and primacy of government at the local level. Government at the local level is the intersection between private enterprise and government power—where the latter remains to some degree answerable to the former. At the state and federal levels the primary interest of government is government. The people become merely the servants of its appetites.

We must return as much power as possible to individuals and to local government. For starters, we need term limitations and a properly worded and conceived balanced budget amendment. (It is not enough to tell Congress that it must balance the budget. Left to its own devices, Congress will balance the budget on the backs of the taxpayers and/or by creating more and more off-budget entitlements and regulations.)

And we citizens have to become our own watchdogs once more. We need taxpayer commissions to give critical scrutiny to the reports of government watchdog agencies like the GAO and to do some investigating of their own. (Right now, we are spending millions of dollars on reports that tell us how the government is wasting our money when those reports themselves are a primary example of waste because nothing is done about them, or because they are deliberately slanted to please the agencies and departments they are evaluating.)

We also have to hold government accountable for spending our money. Politicians and bureaucrats talk a lot about "government resources," but they are ours. Like

greedy guests sponging off their host in a swank restaurant, they are reading off a menu with no prices when they plan new budgets and new programs. But we are the host. We foot the bill. We need to insist on seeing all the prices up front.

Revitalizing local government, term limitation, taxpayer commissions, fiscal accountability—these are practical and realizable goals. But there is nothing that can be done to reform the system that will substitute for the grass-roots mobilization of people

around the country. For our government is "of the people, by the people and for the people," and we must not let it perish.

