Philadelphia Society Philadelphia, April 10, 2010 The Current State of the Crisis

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The Political Problem

As government continues to grow, liberty is the victim. Conservatives continue to talk, perhaps nostalgically, about "limited government," but government is not limited anymore, and is unlikely to become so in our lifetimes.

I have been asked to talk about the political aspects of the crisis. Such a talk could take many turns, but I want to spend my few minutes on the question of the almost impossible task of undoing what liberals and their willing Republican accomplices have already done, and the implications of that for our dream and quest for "limited government."

The problem that we face burgeoned in the 1960s, when government benefits, aid and other largesse changed from a system that lent assistance to the poor, the sick and the disabled to a system through which certain new groups could command government support as a matter of right and as compensation for past injustices. Government began to define groups of recipients of its aid as underprivileged, and members of the liberal elite, many of whom where the real beneficiaries, became responsible for them.

The system then spread from poor people to a whole raft of other defined groups who were either in need of government help – farmers, immigrants, old people and then on to interest groups such as those concerned about the environment, civil rights, labor unions, health care and hundreds of others.

In the later years of the Johnson Administration, the system took yet another turn with transformation from thinking of that getting government assistance as simply recipients, and turning them into constituents – constituents who were considered stakeholders in the programs and the agencies that administered them. These constituent – stakeholder programs included welfare, legal services for the poor, feminist goals, affirmative action, and expansion of civil rights laws, abortion rights, environmental activism, and nuclear disarmament. With grants and contracts from the federal government, advocacy, activist and litigation groups such as the Environmental Defense Fund, the Women's Law Forum, and the Mexican American Legal Defense and Education Fund, to name a few, were created to lobby Congress and the regulatory bodies that implemented the programs, to create public pressure and to bring lawsuits against the government to seek broader interpretation of the laws and to push the envelope way to the left of the wishes of Congress and state legislatures.

Foundations such as Ford, Carnegie, MacArthur, and others spent hundreds of millions of dollars as well, and invented the now-familiar liberal phenomenon of self-

appointed, well-financed advocacy groups promoting complaints against the taxpayers and seeking expanded benefits or compensation on behalf of their constituents.

Add to this the fact that many of these programs became entitlements instead of discretionary programs (59% of the budget in 2010, up from 36% in 1970), and virtually complete control of government was no longer in the hands of Congress and the taxpayer – the payers – but the payees. But the problem extends way beyond entitlements.

Where there was once a competitive system between the government and those enjoying its largess, we have now been reduced to a system without competition or confrontation. Those getting government money mostly lobby Congress, sue the government and undertake activist ventures, all paid for by the government. Hundreds of millions of dollars are doled out by the likes of the Labor Department to Union interests, by EPA, the Interior Department, and the Corps of Engineers to environmental groups, by HHS to its constituent groups, and so on ad nauseum.

Congress, as a result, will not stop what they have created. It is not a problem of liberal vs. conservative, nor is it a problem of Democrat vs. Republican. What went on in the Republican controlled Congress, and what went on in the Bush Administration, may have been marginally less perverse than what is happening now, but not much. Even as Republicans talk about repealing the Healthcare legislation, immediately some start to backslide, no doubt as they are buttonholed by the interest groups and the press who would criticize them for doing so. Said Texan John Cornyn the other day, he would make an exception from repeal of the "non-controversial stuff" such as the ban on preexisting conditions which is, of course, exactly what necessitates the "controversial stuff" such as the individual mandate.

Most GOP politicians campaign for reducing government, cancelling spending programs and shuttering government agencies, overturning *Roe v. Wade* and the rest of what conservatives advocate. Once elected and confronted by their donors and the reality of political Washington, they back down and join the status quo, and add a few programs and even entitlements of their own.

Imagine how many dollars are included in the recently enacted health care legislation to perpetuate the health care legislation. My guess the number is unfathomable, and is already being doled out to the Obama Administration's favorite groups, who are probably already hired lobbyists, PR firms and the rest.

As George Will pointed out recently, the bill includes the following:

The Secretary of Health and Human Services, in awarding grants and contracts under this section... shall give preferences to entities that have a

demonstrated record of training individuals who are from underrepresented minority groups or disadvantaged backgrounds."

We all know what that means.

Attorneys on both sides of the lawsuits, Congressional staffers writing the spending bills and the lobbyists urging them on, and agency bureaucrats administering the programs and writing the regulations on the one hand, and the activists interested in expanding the programs on the other, are more often than not on the same side, come from the same public interest law firms or pressure groups, and are part of the revolving door of government.

The country faces a fundamental disconnect between the services these constituent groups expect the government to provide, and the tax revenues that people are willing to send to the government to finance those services. That disconnect exists even among conservative members of Congress who will talk about limited government in the abstract, but refuse to do anything to programs that affect their constituents. Even Jesse Helms, perhaps the most conservative member of the Senate in his day, used to say that he was an unreconstructed hawk on every kind of government spending until it came to the Tobacco Subsidy, which he was all for. Sure, he qualified that, and made the point that otherwise North Carolinians would find somebody else to send to the Senate, but that is the point. Multiply what he did by 535 members of Congress, all of whom are going to be easier marks than old Jesse, and you see the problem.

It is fine to talk about limited government, and we should continue to do so. But I submit that only an economic disaster of Tsunami proportions – which may, in fact, be on the way – will force politicians to address the system.