

Editorial: A Dangerous Servant and a Fearsome Master
Vote No on M-28

January, 2003

In January the citizens of Oregon will vote on Measure 28, a three-year increase in the income tax. The State of Oregon is in a fiscal crisis, resulting from years of gross mismanagement. With revenues less than anticipated, the organizations allied and dependent on government are clambering for more revenue, including this “temporary” tax increase.

Governors Roberts and Kitzhaber failed miserably as chief executives. Roberts was so overwhelmed, she hid in the Governor’s Office with a couple of advisors. The departments, agencies and self-interested organizations created policy and regulations. Kitzhaber, an arrogant emergency room doctor, rarely managed the government. Rather than exerting positive leadership, he vetoed the work of others. For over a decade, the agencies and allied interest groups operated government for their self-interest. On the occasions Kitzhaber attended to Oregon, he bargained and bartered for his health care program and the environment.

Oregon’s budget doubled in a decade. Why? The self-interested organizations badgered for more money and programs, resulting in dramatic increases in state spending. Worse, the budgets could never be sustained by normal annual revenue sources. The legislature created additional programs using money from one-time sources, such as tobacco settlements and welfare reform. Or, as with the Oregon Health Plan, they created programs that cost little in the beginning but exponentially increased year by year. During most of the time the Republicans controlled both the House and Senate, and a few conservatives proposed fiscal discipline. But the media and self-interested organizations harangued about citizen’s needs, and the legislature created and enlarged programs. Today, Oregon has more centrally controlled government programs, more subsidies and more employees.

Only government could be so poorly managed and still be in existence. Only government, armed with the coercive power to tax and imprison a resisting citizen, could ask for more money.

Governor-elect Kulongoski and the legislature have an acute dilemma: raise taxes or reorganize and eliminate programs. Judging from the past, Oregon in the year 2003 will experience the politicians and the media issuing sound bites, demagoguing, posturing and polling public opinion. Ultimately, a few cuts will be made, accompanied with a sizeable tax increase. The tax increase will be deemed temporary, but ultimately will be permanent.

Unfortunately, Oregon is inherently incapable of effectively planning and administering its vast array of programs. For starters, how could any organization with 91 voting members (30 senators, 60 representatives and a governor) create policy and manage a \$34

billion organization. Worse, every two years there is at least a 20 percent turnover in managing members. How can a rotating congregation of 91, with no long term personal or financial interest, properly account and manage such diverse concerns as roads, schools, employment, salmon, economic development, abortion, prescription drugs and meals on wheels? Poorly at best. Socialism and central planning failed in Russia, Eastern Europe and right now socialism is crippling Europe. Central planning has also failed in Oregon.

Oregon's centrally planned schools, child welfare services, government forests and the Public Employee Retirement System are poorly managed. Yet Oregonians continue to believe that these are services that can only be provided by government. If we spend the right amount of money and hire the right people, Oregon will be okay.

The Public Employee Retirement System (PERS) is an example of the failure of central planning, Oregon style. Why are teachers retiring at age 55 with benefits above full salary, and some are temporarily rehired to their previous position? Why is PERS \$15 billion under-funded, and exponentially growing? What did Kitzhaber and the legislature do to recognize and correct the problem?

Nothing. Neither the governor nor the legislature took steps to correct the system. A year ago a group of business leaders confronted Gretchen Kafoury with this statement: "PERS is a time bomb that will devastate Oregon." Kafoury merely stared. Her political support groups—public employees and teachers—were reaping exorbitant benefits at the expense of the working citizens of Oregon. She, the legislature and the governor were not going to anger teachers and public employees. Not until Ron Saxton raised the issue in the gubernatorial debates did Oregonians begin to understand the PERS fiasco. And Saxton was criticized by his fellow Republicans for addressing a politically difficult subject.

Meanwhile, PERS has critically wounded school districts, fire districts and municipal governments. Most egregious, the PERS fiasco is seriously diminishing the quality of education. Belatedly, the media has reported on its ill begotten history and problems. Still the governor and the legislature have not corrected the problem. Five special sessions and the governor and the legislature have merely appointed a couple of committees to study the fiasco.

Beyond mismanagement, America and Oregon are experiencing the problem of politicians promising and creating too many programs without adequate funding. We just witnessed the Portland School Board, probably the most liberal political body in Oregon, being booted from their seats at a hearing. Angry parents and teachers were outraged that the board could not deliver more resources. This is reminiscent of the French farmers blocking roads when the government attempted to reduce farm subsidies. This is mob rule. The parents and the teachers want more money from the working public. They do not care how the money is collected. They want money from the working citizens to pay for their children's education and extracurricular programs.

As shoddy as the elected leaders' performance has been, the problem is more than Roberts, Kitzhaber, and Kafoury. It is more than which party is in power. Kitzhaber, Kafoury, the Republicans and Democrats are typical pols participating in government as it has accreted during the previous 150 years. From a beginning dedicated to limited government, protecting people and their property from fraud and coercion, the State of Oregon has become the dominant decision maker in education, medicine, employment, environment, transportation, banking, business, insurance, property and civil rights. Government has become the cauldron where self-interest, organization, and the politically ambitious fuse, using the coercive power of government to force their agenda. Each tax and each resulting regulation, at minimum, indirectly affects each citizen. Overall, government becomes dominant and our individual freedom declines.

Fortunately, unlike most of the world in the 20th Century, America and Oregon did not embrace total government control. However, America and Oregon believed elected officials created wise policy enabling the bureaucrats to make a better America and a more just society. America is slowly recognizing that government policies and programs are ineffective and even harmful. Many programs are in crisis. Social Security, Medicare and Medicaid cannot be sustained. Compared to the developed world, America's education is failing. In Oregon, schools, health and welfare, and roads are all in crisis.

It is time that Oregonians debate what is the mission of government. Is it freedom, with government's prime mission to protect people and their property from the fraud or force of others? Or, do we believe in a knowing and benevolent government that knows best how to use our resources?

A "Yes" vote on Measure 28 would reward mismanagement and retard a debate on the proper responsibilities and functions of state government.

Vote "No" on the temporary tax increase.

A vote for a tax increase will be a vote for government to continue to centrally plan and control your life. The congregation of 91, the self-interested organizations and the public employees with their unions will continue to create policy and manage the state of Oregon. The quantity of government programs will grow, and quality of government products will continue to deteriorate. The quality of life of all Oregonians will also deteriorate.

Obviously, this debate is as old as humans. Washington, Jefferson, Madison, Hamilton, Franklin, Adams and hundreds of others were well educated in the governments of ancient Greece and Rome. They were well aware of their English ancestors struggle for freedom—from the Magna Carta through the Glorious Revolution. They debated the political philosophy of Thomas Hobbes, John Locke, and Adam Smith. They recognized that government was seldom effective and too often oppressive. Ultimately, the Founders produced The Declaration of Independence, The Constitution and The Bill of Rights which attempted to limit government to enumerated powers and generally to protect Americans and their property from the force and fraud of others.

President George Washington, reflecting on the Founders' philosophy said, "Government is not reason; it is not eloquence. It is power. Like fire, it is a dangerous servant and a fearsome master."

It is time for Oregonians to vigorously debate what is the mission of government.